

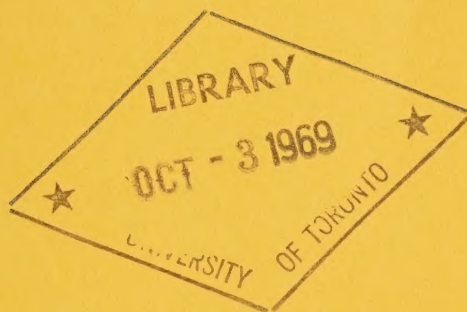
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CONFIDENTIAL

TITLE: INDUSTRIAL RELATIONS IN THE CANADIAN SHIPPING INDUSTRY

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Downsview 473, Ontario.



DRAFT STUDY

prepared for

Canada

TASK FORCE ON LABOUR RELATIONS
(Privy Council Office)

PROJECT NO.: 55 (k) (part)

Submitted: AUGUST 1969

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TASK FORCE PROJECT 55K

INDUSTRIAL RELATIONS IN THE

CANADIAN SHIPPING INDUSTRY

by

Gerald Swartz

August 1969

Preface

This study on the Canadian Shipping Industry was prepared for the exclusive use of the Task Force on Labour Relations. It is to be used by the Task Force as a document to provide a better understanding of industrial relations in the Canadian shipping industry.

This report was one part of Task Force project 55K. After examining both the shipping and the longshoring industries my colleague Mr. Stephen T. Wace and myself found no evidence to indicate the existence of common policy between shipping and longshoring companies or unions; or of mutual assistance agreements or practices between these organizations. The nature and problems of each industry, being different, led to treating each as a separate study.

I have been following industrial relations developments in Canadian shipping since early 1962. Those events of the early 1960's aroused my interest. I keenly followed the proceedings of the Industrial Inquiry Commission on the Disruption of Shipping (the Norris Commission as it is more popularly known) and then the formation of the Board of Trustees of the Maritime Transportation Unions of Canada and the subsequent dismissal of Harold Chamberlain Banks as president of the Canadian District of the Seafarer's International Union of North America. Completion of a Master's of Arts thesis in labour and industrial relations on the subject of "Hal Banks, the Rise and Fall of the Maritime Trade Union Leader in Canada" gave me further insights into the Canadian shipping industry. In

addition that study created invaluable contacts among the rank and file of the licensed and unlicensed maritime unions and among maritime union officers and company executives. I was fortunate to have been taken into the confidence of the late Gordon Cushing, Assistant Deputy Minister of Labour of Canada and to have had access to his personal files on maritime industrial relations in Canada. Finally, working for the Task Force enabled me to elicit information from sources which had previously been closed to me.

The investigations done by the Board of Trustees of the Maritime Transportation Unions were of great assistance to me. I am especially indebted to Judge Rene Lippee the Chairman of the Board and to John Howard the Board's Executive Director for the assistance they rendered.

The major obstacle I continually faced and never overcame in all my years of exposure to, contact with, and study of maritime industrial relations in Canada was the absence of substantive quantitative data on wages, employment, union membership, and shipping company operations. The Board of Trustees of the Maritime Trade Unions, using the considerable resources at their disposal were also unable to thoroughly document the industry. This Task Force study was further complicated by the reticence of certain parties to discuss industrial relations in a meaningful, in depth context. Nonetheless, I was able to obtain sufficient information to enable me to describe the basic nature and conditions of the industry. At times, I may have relied more on my own 'educated opinion' and value judgements than on proven facts. But in an area where insufficient factual

evidence is available, I had no better resources to rely upon. I bear full responsibility for the subject matter presented in this study and offer the hope that these disclosures might suggest solutions to the creation of a more viable framework for industrial relations in the Canadian shipping industry.

Gerald Swartz

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A Description of the Canadian Shipping Industry

The Canadian shipping industry is concentrated along the Atlantic coast, the Great Lakes and St. Lawrence inland waterway and the Pacific coast. This paper devotes its major attention to the inland system as it is here that shipping's industrial relations system has undergone the greatest strain and where the bulk of the industry is concentrated.

There is no longer a Canadian deep-sea fleet of any significance. The deep-sea fleet has declined from a high of almost fifty per cent of registered Canadian tonnage in 1945 to less than two per cent of total registered tonnage in 1968.

The decline in the deep-sea fleet is attributed by the shipping companies to the unjustifiably high wage demands of maritime trade unions. A more realistic explanation of the disappearance of the Canadian deep-sea fleet can be framed as follows. The supply of cargo capacity greatly exceeded the demand for international shipping after 1945. The world's excess capacity of shipping was further strained by the revival of commercial shipbuilding in England and, after the creation of the Marshall Plan, in northern Europe. Canada's deep-sea fleet in particular, suffered from the increased competition as it mainly consisted of small, slow pre-war vessels and liberty ships of wartime vintage. The decline in international demand for shipping was combined with an increase in domestic

flag preference laws being enacted to insure that exports would be carried in vessels registered to the exporting country. But Canadian shipping, unprotected by domestic preference legislation, faced the competition of the world's deep-sea fleets for carrying her exports of primary products and foodstuffs from her deep-sea harbours. Lastly, the disruption of Canadian international shipping caused by the Canadian Seamen's Union's 1949 strike, and the jurisdictional fight between the C.S.U. and the S.I.U.¹ helped to convince many Canadian shipowners of the advantages in switching their international registry from the Canadian flag to "flags of convenience." By the early 1950's, the S.I.U.'s take-over of unlicensed Canadian seamen notwithstanding, the Canadian deep-sea fleet had disappeared.

The S.I.U. interestingly enough was far more tractable on this issue than had been its predecessor and put up little or no opposition to the flag switching and selling-off of the Canadian deep-sea fleet. The S.I.U. concentrated its efforts on consolidating its hold on the inland fleet. It also largely ignored the west coast, maintaining only its token force of members there. The Canadian sailors who had joined the S.I.U. in its battle to win control over the deep-sea fleet were a readily available nucleus of support for organizing and manning the inland fleet as the deep-sea fleet was in the process of rapidly disappearing. This ability of one market-oriented trade union to displace another was a dominating characteristic of the Canadian shipping industry. As will be shown later, the same circumstances of a jurisdictional dispute, a pre-hire contract,

¹See Appendix B.

and no fixed certification were repeated (this time to the detriment of the Seafarers' International Union) during the Canadian Maritime Union's takeover of Upper Lakes Shipping Company and its related subsidiaries vessels in 1962. This characteristic was only one of many features particular to industrial relations in the highly competitive shipping industry.

Currently there have been many complaints that the Canadian inland shipping industry is in danger of meeting a fate similar to that which befell the deep-sea fleet. The threat to Canadian Lakes and St. Lawrence shipping posed by American and international vessels is growing stronger each year. The shipping companies and their representatives have made deputations to the Federal government urging it to subsidize Canadian shipbuilding and to protect Canadian maritime carriers from competition. Annually the press reports the industry saying it will soon disappear because of competition. The maritime trade unions have also been complaining of a decline in jobs and they too blame foreign competition.

This paper does not attempt to debate the merits and limitations of these claims. It also refrains from examining whether or not it is in "Canada's interest" to retain her inland fleet and/or to rebuild her international fleet. These are political decisions.

A more appropriate task would be to describe the nature of competition and the factors which affect the operations and profitability of the industry. Much of the data, however, which would be required to forecast the future of the Canadian shipping industry was unavailable

(or if it was available was not released) to this study and therefore few firm conclusions on this industry's ability to compete could be drawn.

Since the opening of the St. Lawrence Seaway in 1959, approximately three-fourths of the tonnage carried in Canadian bottoms (a non-anatomical term referring to Canadian registered and manned vessels) has been accounted for by trade along the Seaway system. Greater than seventy per cent of the maritime labour force is employed on these inland vessels.¹ The importance of the inland trade is demonstrated by the fact that over twenty-five per cent of total foreign tonnage (that is, tonnage loaded for foreign ports or unloaded from foreign ports) was carried in Canadian bottoms and almost all of these Canadian cargoes (approximately ninety-five per cent) were destined to or originated from the United States. In the coasting trade (trade which takes place between Canadian ports) over eighty-five per cent of cargoes are carried in Canadian bottoms.² There has been no decline in the Canadian companies' share of inland shipping. The declines in volume of Canadian inland shipping in particular years can be traced to declining sales of Canadian wheat, strikes in Canadian iron ore producing areas or to major strikes in the United States steel industry.

Canadian shipping carries two fundamentally different types

¹Interviews with maritime union officers and company officials.

²Dominion Bureau of Statistics Shipping Report. This data was inferred from the Shipping Reports of 1959 through 1967. It was confirmed in interviews with company officials.

of cargo--bulk and package goods. Bulk cargoes are commodities which are not counted individually but which are shipped by weight. Outgoing bulk cargoes consist mainly of wheat from elevators at the Lakehead and other Lakes ports to Montreal, Halifax and United States ports. Very little Canadian wheat is carried overseas by bulk Canadian carriers. Primarily because of the different design specifications required for inland and deep-sea vessels it has been difficult to design Canadian bulk carriers which could operate at a profit both inland and deep-sea. The modern self-unloaders which can operate quite well on the Lakes carry more deck equipment (unloading machinery, moveable belts, unloading arms, etc.) than is ideal for deep-sea. In addition, Lakes bulk carriers need not have the heavy and space consuming internal bulkheads required on ocean carriers. When Canadian wheat sales are high, the Canadian carriers are generally busy. Few, if any, bulk carriers are laid up and industrial employment is high. The newer Canadian bulk self-unloading carriers have been designed to convert from grain to coal or iron ore for their return trips inland. Canadian bulk carriers used to rely on downriver grain shipments for their payload and profit. Since the end of the 1967 shipping season Canadian cargoes of outgoing wheat have declined due to a combination of factors--the decline in overall shipments of Canadian wheat to Europe; increased wheat shipments by rail to west coast ports and during the S.I.U.'s 1967 strike, to Montreal and Halifax; and a small increase in deep-sea carriage of Canadian wheat outgoing from inland ports. Since the 1968 shipping season, for the first time in the

ten-year history of the St. Lawrence Seaway system, Canadian bulk carriers have relied more heavily on upriver cargoes of ore than on outgoing wheat shipments. Bulk cargo accounts for eighty-five to ninety-five per cent of the Canadian inland shipping industry's business.

General cargo is carried by package freighters. This consists of goods (usually manufactured) which are shipped by number rather than weight. The special loading and unloading requirements of the two carriage systems are so different as to require separate handling systems and separate operating licenses. Docking facilities are also quite different. Bulk self-unloaders have been designed to minimize "turnaround" time (the period required for a ship to dock, unload, take on new cargo, and depart). The quicker a ship can turn around the more voyages it can make and the more tons it can carry at its straight commodity tonnage rate. Package freighters with their ability to handle mixed cargo at varying shipping rates are not as concerned with turnaround. Loading and unloading time for package goods can vary significantly from good to good. Canada Steamship Lines is the only Canadian company still maintaining a fleet of package freighters.

Containerized shipments of package goods is a new innovation in shipping. The new container handling facilities at Halifax were built in the hope of encouraging a greater volume of containerized shipping. This study cannot speculate as to whether the container innovation will or will not benefit Canadian package good carriers. Containers are designed to be shipped by road, mail, and air as well as by sea. This author

has seen no data on how containers have affected the Canadian shipping industry. However, both labour and management have complained of being hurt by them.

The cost of operating Canadian inland ships has remained lower than the operating costs for American inland operations. The shipping companies attribute this to lower labour costs and a more modern fleet. The dollar gap (Canadian vs. American) in operating costs is narrowing as the wage differentials narrow. Unlicensed Canadian seamen used to earn two-thirds of their American counterparts. They now may earn up to nine-tenths of the American rate. However, licensed American seamen still have a maximum earning potential almost fifty per cent higher than that of Canadian licensed seamen. Other foreign crewed ships are operated at substantially lower labour costs.

The Canadian shipping industry is, however, protected against most foreign vessels in the coasting trade. The Canada Shipping Act (Sections 669-673) guarantees that only Canadian or British ships can engage in transporting goods from one Canadian port to another Canadian port. "Foreign" ships must obtain a permit from the Governor in Council before they can engage in the coasting trade. This legislation protects the Canadian shipping industry from the competition of foreign fleets. Thus even during lulls in international trade, foreign vessels are prevented from cruising the inland waterway in the hope of picking up coasting business. Foreign ships bound with cargo from foreign ports to several Canadian ports are permitted to carry Canadian coastal traffic

between these points. Foreign ships can also engage in the coasting trade between the Canadian ports in which they are picking up foreign bound cargo. Many of the foreign ships run a regular route through the seaway system thus enabling them to pick up coasting trade. Foreign ships offer stronger competition in package carriage than in bulk carriage. Almost half of the coasting trade picked up by foreign vessels is in package goods. United States law offers its registered vessels similar protection in the inland waterways. American and Canadian vessels can participate in inland shipping between the two countries.

The economics of shipping offers further protection for both the Canadian and American inland fleets from foreign competition in bulk carriage. There are very few foreign deep-sea vessels which can efficiently carry bulk ore and grain inland. Foreign ships do provide serious competition in package cargoes inland. Since 1959, the Canadian shipping industry has modernized its bulk fleets to take advantage of the St. Lawrence Seaway. Old bulk carriers are rapidly being phased out. Over eighty per cent of bulk ore and grain capacity is found in Seaway-sized vessels. The bulk canallers which formerly trans-shipped cargo from Lakes to deep-sea ports are no longer in widespread usage. The larger bulk vessels require fewer men per ton of cargo than the older, smaller carriers. Crews of 30-34 men are required on the 750 foot bulk, self-unloaders while 20-24 men crews are required for the 300 foot or smaller vessels with only one-fifth as large a carrying capacity. The trend to increased size has extended to the point where most Canadian companies are converting their old vessels, or buying used ships to convert into larger bulk carriers, or have already done so.

Canadian Shipping Companies

Canadian shipping companies on the Atlantic coast and inland waterways are highly competitive. The companies have never fully co-operated with each other in the collective bargaining process. Four of the five major Canadian companies are owned and operated by private family corporations. Canada Steamship, owned by public shareholders, is as tightly run as the family concerns. These companies are characteristic of the entire industry. They generally lack the professional management found in other sectors of the business world. Most fleets have grown out of small operations run by ruggedly individualistic ship captains and "shipping families."¹

Since the early 1950's when the inland trade became predominant, the Canadian companies have been concerned with keeping their costs below those of their American competitors and with getting as large a share of the shipping traffic, even at the expense of other Canadian shipping companies, as possible. This concern with their own competitive position prevented the Canadian companies from taking action, either collectively or individually, against the Seafarer's International Union of Canada

¹See W. Grant Ross, The Development of Great Lakes Shipping (unpublished Master of Arts Thesis, University of Toronto, 1933), and A. G. Young, The Great Lakes Saga (Toronto: Richardson, Sons & Wright, 1965).

and its leader Hal Banks. As long as Banks was able to keep Canadian labour costs below American costs the companies complained little about the way the S.T.U. crewed their vessels.

In an attempt to bargain collectively, inland companies formed the Association of Lake Carriers in 1953. Canada Steamship Lines, Upper Lakes and St. Lawrence Transportation Company, N. M. Patterson & Sons, and Colonial (later renamed Scott Misener) Steamships, were the original members. In 1955 the Hall Corporation joined the Association. These five companies, then as now, controlled approximately eighty per cent of all Canadian Great Lakes and St. Lawrence shipping.

The principle features of the companies' agreement were as follows:

- (a) The only function of the association is that of a collective bargaining agency on behalf of its members. The actual collective agreements will be made by the individual companies, who will also have unimpaired control over the day to day conduct of their labour affairs pursuant to such agreement and of any strikes, lockouts, etc. with which they may be confronted.
- (b) The association will operate through a committee made up of one representative from each member. The agreement contains provisions for changing the representative of any company from time to time and for the designation of alternate members to act in the absence of permanent members. The committee will do all collective bargaining on behalf of the members of the association and no member will be permitted to bargain individually. The agreement also includes an obligation upon the members to exchange certain labour information among themselves so that the committee may at all times be fully informed of developments in the industry.

- (c) Provision is made for the appointment of a secretary of the association, in order that there may be one person primarily responsible for giving notice, maintaining records, etc.¹

However, the Association failed to adhere to its terms of agreement and did not present a united company front in bargaining. Other than their "gentleman's agreement" there was nothing to compel the companies to bargain as a unit. Under Hal Banks' direction from 1953 to 1961, the S.I.U. always managed to break off one company (Canada Steamship Lines) and to sign an agreement with that company first. Pattern bargaining and whipsawing tactics were used. The other companies were then forced to accept the same or higher contract terms as the C.S.L. or face the prospect of a strike. At the beginning of the 1956 navigation season, for example, the S.I.U. reached an agreement with C.S.L. Then the union struck the Upper Lakes and Patterson companies. The pretext employed to justify this strike action was disagreement over the negotiation and enforcement of manning provisions. But the other unsigned companies were permitted to continue operating. The choice for the Lake Carriers Association's members other than C.S.L., was to jointly lock out the S.I.U. or to individually face strike action.

The Norris Report implies that there was collusion between Banks and Canada Steamship Lines.² Banks gave favoured treatment to

¹Draft Agreement of the Association of Lake Carriers, February 25th 1953.

²The Norris Report, pages 142-145, 182-184.

C.S.L. and, Norris hints, received close co-operation from the company.

The evidence indicated that although the other major shipping companies were subjected, throughout the period under inquiry, to constant harassment, strikes, illegal walkouts, (colloquially referred to as "prayer meetings"), the Canada Steamship Lines, apart from a minor incident in 1954, was left completely free from such activity . . . while other shipping companies were suffering from . . . the high-handed bludgeoning tactics exerted upon them by the S.I.U.--the evidence of the Canada Steamship Lines was to the effect that throughout the same period their relationship with the S.I.U. was a very good one."¹

Banks' relations with C.S.L., whether legal or not, constituted shrewd collective bargaining tactics. Canada Steamship Lines was and is the largest Canadian shipping company. It is almost twice the size of its closest rival, the Upper Lakes Shipping Limited. These two companies plus the next three largest companies, the Hall Corporation of Canada, N. M. Patterson & Sons Limited, Scott Meisner Steamships Limited control almost eighty per cent of Canadian inland shipping. The signing of C.S.L. alone, or of any two of the other top five companies, puts tremendous pressure on the others to reach agreement.

The companies remaining operative in these situations (providing the strikes were during the shipping season) faced the pleasant prospect of operating a full fleet at full capacity. The profits to be made by so operating offered a further inducement to being first to sign. It was and is normal practice for the companies to keep older vessels available as a cushion against increased demand for cargo space. These

¹The Norris Report, pages 68-69.

are fitted out and ready to run when conditions warrant. Given that a strike of other companies was on, the operating companies could easily crew all of their second line or marginal ships through the hiring halls.

Mr. Norris recommended the termination of all shipping contracts at the end of the shipping season.¹ He may have felt that this would allow less opportunity for unions to whipsaw, etc. and would permit more time for the regular operation of collective bargaining. However, although contracts did expire in December until 1961, it did not in fact prevent shipping unions from taking strike action or from attempting to use whipsawing techniques to obtain their collective bargaining objectives. An end of season contract expiry date may provide more time for bargaining or may just delay (as was the case) bargaining until the opening of the shipping season.

The shipping industry is not a "normal" industry in that the companies are less able to take a strike than are companies which operate on a year-round basis. The ships are run twenty-four hours a day, seven days a week during the short shipping season. Thus, regardless of the contract expiration date, the shipping industry is vulnerable to strike action. In the limited season shipping industry losses resulting from failure to operate during part of the season cannot be made up by advance stock piling or by overtime production following the work stoppage.

¹The Norris Report, page 307. Norris seemed to ignore the fact that when contracts expired at the end of December or January, strikes would take place in April (as in 1956 and 1958). By 1962 the unions had changed the terminal date to May 31st and June 31st.

The Association of Lake Carriers died a natural death. From 1960 onwards, it was not used to co-ordinate bargaining policy by the major companies. However, it did provide a pretext for mutual discussion among the companies (excluding Upper Lakes which by 1962 was embroiled in its battles with the S.I.U) on matters of common interest. Under the urging of the Board of Trustees all of the major shipping companies, except Upper Lakes which bargains independently, again joined together. In June of 1966 they formed the Canadian Lake Carriers Association. This Association, which represents a total of twenty-seven shipping companies, has been relatively stable. The companies bargained as a group with the S.I.U. in 1967 and:

The Trustees were satisfied that both parties negotiated a reasonably good contract . . . They are particularly pleased with the new atmosphere of co-operation which appears to have developed since the memorandum of agreement was signed at the end of September. They attribute a good portion of this credit to recent efforts of the Canadian Lake Carriers Association to co-ordinate and centralize their labour relations machinery.¹

Unfortunately, this reconstituted employers' association suffers from the same fault as did its predecessor. The Canadian Lake Carriers Association acts as the delegate not as the representative of the shipping companies. The companies are not bound by the Association's policy. There is no compulsion for shipping companies to operate together and to bargain collectively in their own best interests.

¹Board of Trustees Annual Report 1967, page 12.

Union Jurisdictional Conflict

To understand maritime industrial relations in Canada one must recognize the important roles of the licensed and unlicensed unions. The difference in their roles has resulted in conflict between them. The unlicensed category covers over three-quarters of all jobs on board ship. The unlicensed union controls jobs ranging from the unskilled deckhands, watchmen, and porters to the more skilled positions of wheelman, chief cook, and boatswain. A ship cannot be operated without these unlicensed seamen. In the event of an unlicensed strike, virtually entire crews must be hired on in order to run the ships.

The unlicensed unions realize that they can exert considerable pressure via the weapon of the strike. But they also realize that because their jobs are relatively low-skilled, properly supervised inexperienced men can perform the jobs. Thus the unlicensed seamen fear that shipping firms can, with the aid of their licensed personnel, displace one group of unskilled seamen, replace them, and continue to operate. From its own experience in defeating the Canadian Seaman's Union, the S.I.U. realized that it must have the unqualified support of one of the officer groups, engineers or deck officers or else its membership would face the threat of being replaced by unskilled seamen directed

by the officers.¹ Out of this arose the S.I.U.'s long battle with the National Association of Marine Engineers for jurisdiction over the licensed engineers on the Great Lakes and St. Lawrence.²

Unlicensed seamen in Canada, unlike their counterparts in the United States and Great Britain, are not required to obtain Able-Bodied Seamen certification. Thus there are no qualification barriers to entry in the unlicensed ranks. Only the more skilled of the unlicensed jobs --boatswain, wheelsman, crane operator, and oiler--demand seafaring experience. These skills are learned on the job. In the Canadian shipping industry, the unlicensed unions control the placement of all unlicensed seamen. Progression through the higher levels of qualification in the officer ranks is made through further study and government supervised examinations. The officers take these courses in the winter off-season and write their examinations before the spring fit-out. Because there are only a few months in which to study, many men require more than one attempt before passing the exams.

In order to obtain licensed papers a seaman must serve a minimum of thirty-six months seetime (this usually takes five shipping seasons) and then pass a stringent set of written Department of Transport exams. Over eighty per cent of the officers have come up through the

¹The S.I.U. was able to replace the C.S.U. during the latter's strike in 1948 because the shipping companies with their officers' support, ignored their legal obligation to negotiate with the C.S.U. and signed with the S.I.U. For a detailed account see Appendix B.

²For a detailed account see Appendix C.

ranks in this manner. Alternately, a seaman may enroll in the four-year course of study for licensed (deck officer or engineer) certification at the maritime schools in Rimouski or in Toronto. At both of these schools, the student takes course work for six months and then works in the industry for six months. Engineer students can gain their work experience on shore or on board ship. Deck officers must gain shipboard experience. The schools have been urging the shipping companies to place two cadets (as the student officers are called) aboard each ship. This proposal has been favourably received by the C.M.S.G. and N.A.M.E. But the S.I.U. has objected to the scheme on the grounds that the cadets take away work which would otherwise be performed by unlicensed (i.e. S.I.U.) seamen.

Since so many of their membership have come up from the unlicensed ranks, the licensed unions feel that they understand and can sympathize with the problems of the unlicensed crew. This feeling is shared by the executives of the C.M.S.G. (who represent some thirty-two hundred licensed deck officers through Canada and some six hundred licensed engineers on the west coast), the C.M.O.U. (who represent some nine hundred licensed engineers on the Great Lakes) and of N.A.M.E. (representing some fifty Upper Lakes Shipping licensed engineers). However, regardless of their feeling of identification with the unlicensed personnel, the licensed seamen are in positions of authority over the unlicensed crew during the day to day operations of the ship. This tends to divide the seamen. Furthermore, just as the unlicensed unions fear a

management-licensed union alliance, the licensed unions fear the upward mobility of unlicensed seamen and the vertical jurisdictional claims of the unlicensed unions.

In Canada, the vertical jurisdictional claims of the S.I.U. led to the virtual destruction of N.A.M.E. The S.I.U. of Canada, in setting up its own licensed union, patterned itself after the S.I.U. of North America. The latter has retained strong ties with the Marine Engineer's Beneficial Association, both co-operating very closely under the direction of Paul Hall, S.I.U.'s International President in the Maritime Trades Department of the A.F.L. The C.M.O.U. is made up largely of former N.A.M.E. members who were absorbed by the S.I.U. of Canada in the midst of charges of intrigue and raiding. The conflict between N.A.M.E. and the S.I.U. formed the core of the unrest in the maritime labour field. It led to the S.I.U.'s expulsion from the C.L.C. in 1960 and finally to government intervention. Accepting the separation policy of the Trustees, the C.M.O.U. group withdrew from the Licensed Division of the S.I.U. of Canada early in 1965, adopted a new constitution, and obtained a separate charter from the S.I.U. of North America, authorizing it to organize and represent marine officers. Although autonomous in theory, and although administered by an independent executive, the C.M.O.U. does share quarters with the S.I.U. of Canada and continues to co-ordinate its activities closely with that group.¹

¹Board of Trustees--Annual Report 1965, page 10.

It should be noted that within the ranks of a large unlicensed union like the S.I.U. there are many men who have obtained the first level of licensing papers but who for reasons of their own choosing prefer to work as unlicensed seamen.¹ These men plus those attempting to qualify for a license could constitute a threat to the licensed unions not affiliated with the S.I.U.

In addition to the vertical jurisdictional rivalry between unlicensed and licensed unions, shipping has been subject to considerable horizontal jurisdictional rivalry from competing groups of unlicensed unions and from competing licensed unions. Appendix D and C describe in detail past competition between the S.I.U. and C.M.U. on the Great Lakes, between N.A.M.E. and C.M.O.U., and, to a limited extent, C.M.S.G. and C.E.O.U. for jurisdiction.

An element of further horizontal competition is introduced when one examines the unions which have jurisdiction over the United States Great Lakes and St. Lawrence fleet. Locals 5000 and 7000 of the United Steelworkers man the boats owned by the American Steel companies. The United Mine Workers claims jurisdiction over bulk ore carriers. The National Maritime Union claims jurisdiction over United States Great Lakes shipping. All three of these unions have at one time or another

¹A top unlicensed wheelman or boatswain would receive a seven to twenty-one per cent increase in his unlicensed salary by taking a job as a licensed third mate. There is a greater potential increase of fifteen to thirty-five per cent for oilers and firemen becoming licensed engineers.

offered assistance to the C.M.U. They have all sought to have the C.M.U. affiliate with them. In 1969, the C.M.U. became an affiliate of the N.M.U.

The jurisdictional claims of rival unions are supported by other trade union bodies. The C.M.U. when chartered by the C.L.C. in 1961 was granted jurisdiction over all Canadian unlicensed seamen. They were strongly supported by the C.B.R.T. in their organizational drive. This, of course, brought the C.B.R.T.-C.M.U.-C.L.C. alliance into conflict with the S.T.U.-I.L.A.-A.F.L.-C.I.O. alliance. The results of this led to the Morris Commission inquiry and to the formation of the Board of Trustees of the Maritime Transportation Unions of Canada.

The Trusteeship ended as of December 31, 1967. During its tenure, the Trusteeship prevented further outbreaks of inter-union rivalry. The S.T.U. was reinstated in the Canadian Labour Congress in 1968.

Seasonality

Several factors complicate industrial relations in the shipping industry. Individually these factors do not constitute an abnormal industrial relations environment, but collectively they contribute to problems which are unique to the shipping industry. Amongst these are seasonality, turnover, and hours of work.

The tug-boats, ferries and one third of the coastal Pacific coast vessels and the year-round ferry boats on the Atlantic coast are run all year long. At best, these vessels provide employment for ten per cent of Canadian Seamen. Most of the shipping industry works a limited season of 240-270 days. With luck, the shipping season begins in April and the waterways remain operative until mid-December. "Fit-out" and "lay-up" can add twenty to thirty days to the employment season for those fortunate enough to be needed to prepare the ships at the beginning of the season and to close the ship up at the end of the season. Some of the larger inland ships are kept in operating condition throughout the winter by skeleton crews of nine to twelve engineers, deck officers, firemen, watchmen, and cooks (approximately one-third of the vessels' full complement). Less than one-tenth of the inland jobs are maintained throughout the year. Late break-up and early freeze-up can easily reduce the shipping season to 220 or fewer days.

The weather also has an important affect on employment during the shipping season. Low water levels on the Great Lakes force the boats

to sail with lighter loads. More boats or more voyages per boat are required to carry a given number of tons or items of cargo. Thus greater employment opportunities are present for seamen. During 1964 and 1965 when the Lakes' water levels were below normal there was ample employment. But the industry estimates its revenue losses on the Lakes at one hundred million dollars for the same period.

The seasonal factor is not unusual in Canadian industry. In shipping as in seasonal industries in general, the lowest skilled (the unlicensed deckhands . . .) are the first to be laid off. However, at the skilled levels opportunities for shore based year-round jobs (e.g. for the licensed engineers) are particularly plentiful and contribute to the reluctance of these men to ship out again each year.

Hours of Work

Ships normally operate on a twenty-four hour, seven day a week basis throughout the navigation season.

Voyages are short (less than a month for a return trip through the whole St. Lawrence-Great Lakes system) but crews must remain on board when the ship is sailing. Thus the ship serves as a home and a recreation area for the sailor during the long periods he is aboard and not working. The need to see families and girl friends; the need to escape from the routine, boredom, hard-work, and often unsavory living conditions on board ship; and the desire for a "fling" all pull the sailor away from his ship.

Until the Department of Labour decided to impose the provisions of the Canada Labour (Standards) Code on the shipping industry, seamen worked a fifty-six hour week. Their basic rate was calculated on the assumption that each man worked 240 hours per month (thirty days, eight hours per day) and contracts negotiated monthly rates. The hourly rate was taken as $1/240$ of the monthly rate. Time and a half the hourly was paid for work in excess of eight hours per day. However, deckhands were normally expected to work a five day, forty hour week and obtained Saturday and Sunday off. But they had to remain aboard ship in order to be paid for those days. The navigation crews and others working Saturdays and Sundays received an additional half-day's pay for the day. This rather unusual wage pattern added to the turnover of seamen.

"Normalization" of the hours of work required the intervention of the Minister of Labour and the presence of the Board of Trustees. The Trustees had been urging the industry-wide adoption of the Layday principle (paid leave credit which could be taken ashore during the navigation season) as a means of insuring industry compliance to the Labour Standards Code. The west coast and the Department of Transport vessels already had versions of the Layday plan. On July 7, 1967, during negotiations for a new contract between the Seafarer's International Union and the Canada Lakes Carriers Association, the Minister of Labour announced that the Canadian shipping industry's exclusion from the Labour Code's hours provisions would be terminated by 1969. The issue of hours of work was one of the major items of contention

during those negotiations. The Minister's statement forced the companies to bargain on a forty-eight hour maximum work week which would comply to the Labour Standards Code.

Turnover

The problem of turnover has beset the Canadian shipping industry for many years. There are two types of turnover found in shipping. In both types the jobs being vacated have to be filled. The first and most prevalent is the turnover which results when men terminate their employment on board ship during the shipping season but return again to the employment pool to seek another berth during the same season. This turnover is caused by the men being laid off, voluntarily leaving, being fired or being disciplined by their union or their employer.

The second form of turnover results when men terminate their relationship with the shipping industry and do not seek re-employment. This turnover is mostly caused by voluntary departure from the industry. The D.N.S. (Do Not Ship) lists of the Hal Banks era used to provide a dictated form of retirement from the industry. However, the use of D.N.S. lists has been abandoned. A shipping company cannot refuse, on behalf of the shipping industry, to employ a particular individual. The closed shop contracts in the industry do permit unions to bar an individual from employment in the industry by permanently revoking the individual's union membership. Fortunately, however, this widely-used technique of the Banks' era has also fallen into disuse among union leaders.

This second form of turnover--men being hired on to replace those who have retired from the industry--can have the more serious term impact on the industry. If turnover of this sort is high, few men build up the experience needed to enable them to perform the more skilled unlicensed jobs and to qualify for licensed papers. Furthermore, replacements cannot be found for retiring, experienced licensed personnel. Since the days of the depression, experienced licensed deck and engineering officers have been in short supply.

Through the hiring hall the union supplies seamen to the shipping companies. It is difficult to forecast how many men will be needed. A simple measure of the maximum number of positions to be filled if all the ships were operating does not reveal how many men will be needed. The willingness of the crews to sail undermanned (and by working overtime to collect extra money by sharing in working the unmanned positions) and the number of ships laid up due to poor business reduce this maximum number. The more unplaced seamen the union has registered at the hiring hall, the easier it is for the union to fill the job openings created by men leaving a ship. The shipping companies expect the union to have a supply of seamen greater than the maximum number of positions the company has to offer. The larger this oversupply, the higher the turnover which can be absorbed by the industry even operating at capacity. The union also prefers an oversupply of labour so that it can always fill the positions offered through the union hiring hall. If the union would fail to fill the available positions, it would risk losing its unilateral control over the supply of labour

(and thus the security inherent in a union controlled hiring hall) to company or other (crimps, etc.) labour recruiters.

The institution of the layaday plan reduced turnover by curbing the seaman's need to leave his employment on board ship in order to spend time ashore during the shipping season. The layaday plan was negotiated, under the guidance of the Trustees, by the S.I.U. and the shipping companies in 1967. The plan was modelled after the layaday program already in effect on the west coast. It provides the seamen with the opportunity to take one hour of paid vacation off-board for each six hours worked. Thus after working the sixty day qualifying period, the seaman is entitled to take ten days holiday. Similar plans were negotiated in 1968 by the C.M.O.U., C.M.S.G., and C.M.U.

The shipping companies feel that a ratio of 1.5 seamen to the maximum number of jobs available would be sufficient to man a fully operative industry now that the layaday system is in force. Prior to 1968, the companies felt that 2.0 seamen per job would be a more appropriate figure. The licensed unions felt that a ratio of 1.3 or lower would have been sufficient prior to the layaday plan and that a ratio of 1.1 would now be sufficient to fully man the industry. The unlicensed unions felt that 2.0 prior to the layaday plan and 1.5 currently would suffice.

Prior to the Trusteeship, the S.I.U. had maintained as many as

three members per available job on the Lakes and St. Lawrence. This observer (and many others) felt that the S.I.U. was using the sale of memberships (at \$240 probationary plus \$100 full book membership fees) as well as its monthly dues of \$8 to maintain a high level of union revenue. Membership was not constrained by the market demand for unlicensed seamen. With its large excess of members over jobs, the S.I.U. was more interested in maintaining a high seafaring turnover in order to spread the jobs around between its members.¹

Even under Trusteeship the S.I.U. depended heavily on probationary and initiation fees for revenue. In 1967 the Trustees warned the S.I.U. to reduce its expenditures as the union's revenue from initiation fees would be insufficient to support its planned level of expenditure. Under the threat of the re-imposition of direct Trusteeship financial control the S.I.U. reduced its spending.² As the S.I.U. membership declined, its turnover rate also declined.

The high rate of turnover made it difficult for the unlicensed seaman to develop a strong sense of identification with any particular shipping company. The unlicensed seamen's loyalty was to his union.

¹This study did not receive consistent membership figures from the S.I.U.. The Labour Organization in Canada figures give total S.I.U. membership in Canada. Their figures do not always agree with other sources. They credit the S.I.U. with a membership of 14,900 for 1966. The Board of Trustees (Annual Report 1966 p. 10) shows an S.I.U. membership of 7,150 for the same year. The Trustees, much to this observer's regret, never explained the discrepancy (or abrupt decline?) in S.I.U. membership figures. The Norris Report (pp. 176-177) discussed the same problem and concluded that, although accurate S.I.U. membership figures were not available, the S.I.U. encouraged turnover and a high level of membership.

²Board of Trustees Annual Report 1967, p. 15.

The union placed him aboard any ship. Licensed seamen, because of the nature of their jobs, had (or were supposed to have) a dual loyalty--to their union and to their employer. The ships officers are responsible for enforcing the operating rules laid down by their company and for maintaining discipline on board ship. They have the power to hire and fire seamen. A high rate of turnover in the licensed ranks similarly limits the licensed seaman's loyalty to his union.

The Board of Trustees hope that a more effective hiring hall system together with wages, benefits, and working conditions as attractive as those on shore will reduce turnover of unlicensed personnel. In addition, they hope that these improved conditions will reduce the turnover of licensed personnel caused by these experienced men leaving their profession to take positions on shore.¹

¹See Board of Trustees Annual Report 1966, p. 18.

Union-Management Relations

The industry particularly suffers from the problem of the union members' strong loyalty for their union and absence of loyalty for shipping companies. Very few of the union members work for a specific company. In their minds they are members of the union and not employees of any particular company. This is augmented by the rate of turnover in the industry where men leave the ship in any port, go to the hiring hall and sign on any other vacancy that is posted. In order to develop the skills, create the pride that is necessary for men to stay in the industry, and to man the more complex vessels that are becoming the norm rather than the exception, it will become necessary for a sense of company loyalty and for a continuous employment relationship to be established between the seaman and the company he works for. Only through long term experience with one particular company and at times on one particular vessel, can a seaman become thoroughly confident in handling the new techniques for loading, unloading, and running of the ships.

This leads to the difficult areas of employer choice of personnel and of policy towards promotion of men from common deckhand and other less skilled, unlicensed positions to higher skilled, unlicensed positions such as wheelmen. As long as these higher skilled, unlicensed jobs remain within the unique jurisdiction of the union (via job placement through the hiring hall) the problem of management promoting on a basis of favouritism will not be faced. But the shipping companies feel that

union control of job placement limits their ability to train and promote competent seamen. If, however, qualifications for specific jobs were more carefully defined, management would then be in a position to choose among applicants while the union would still maintain control over eligible individuals and maintain the necessary element of job security. People can then be selected for training from a pool of those possessing the desired skills. Shipboard training for all skills aboard and for higher positions could be inaugurated, programmed, and checked continuously by a progress report. The individuals who succeed in the training can move into higher positions as the positions become open. The pool of people for these positions can be hired through the hiring hall as are less skilled unlicensed seamen.

Management must spend more time aboard the ship or fleet in order to observe and learn what actually happens or to have an opportunity to meet those people who are working for them. Occasional shore meetings would also be a help. These recommendations are not being put forward to try and institute a further measure of management control over membership. Rather, they are being suggested because management has so little understanding of the nature of the problems that men on board ship face in everyday life. The prevailing attitude of management throughout its relationship with the sailors, has been that of a corporation primarily interested in his corporate profits. The de-personalized attitudes towards sailors has hampered industrial relations. In short, communications aboard and on shore between officers, crew members, company officials, and union officials must be improved if cooperation rather than hostility

is to be the aim of these parties. If this is not done, the industry runs the risk of being in the same position as the dinosaurs. It must adapt to its new environment of increased competition and accelerated technological change or suffer the consequences.

The signs of change are already here. There is a great turnover of men, especially at the unskilled level. Too many men get in accidents. There are too many unskilled crew members who are not improving their position due more to company neglect than to inability on their own part. There is a great shortage of officers and rapid turnover even at the higher skilled level. The signs are a warning.

Unfortunately, management has not been unique in its outdated attitude. Its attitude was shared by the unions, more so by the S.I.U. perhaps than by the other unions. They were interested in maintaining the support of their membership and want to keep the relationship between the employer and employee at a minimum. In fact, they have done anything possible to destroy any semblance of this desirable relationship.

It would take employer initiative to improve relations in this important phase of their relations and it will take employer money and sacrifice. There has been little thought given to it so far by employers. Unless this industry is prepared to embrace modern management methods which include good labour management relations, most of the technological advances in the marine field could slip through the industry's grasp. The industry will, therefore, need employees who are well enough informed and have the open mindedness to grasp the new ideas and methods.

Employers should now be planning for the years ahead and have a target to improve the weaknesses which prevail within the Great Lakes shipping industry today. These weaknesses are not the weaknesses of each individual competitive company, but are the weaknesses of the system as a whole.

The Norris Report and Its Limitations

The Norris Report suffered from one grave deficiency, that being its overall emphasis on the activities and personality of Harold Chamberlain Banks. Mr. Justice Norris had a unique opportunity to evaluate the industrial relations system in shipping and to see how the nature and structure of the shipping industry helped to contribute to the growth of a union leader who could operate as Mr. Banks did. Unfortunately, Mr. Justice Norris seemed to have almost a personal vendetta against Mr. Banks.

While the Norris Report did discuss the hiring hall and the use of such aberrations in a hiring hall system such as the Do Not Ship Lists and the Report of Charges Cards, it failed to point out the overall importance of a rotary hiring hall system in the shipping industry. It should have pointed out that nature forces this industry to operate on a seasonal basis, and that the industry requires the services of its employees on a continuous voyage basis from port to port. Shipping requires that men live on board, and it seldom provides them opportunities to visit their home port or families. In short, the industry has a unique work environment and unique work time period requirements. These, Mr. Justice Norris failed to point out, constitute an important part of an industrial structure that is quite different from that found in other industries and creates a series of unique problems.

The shipping industry has set up its own institutions to handle

the problems produced by its different structure. Mr. Justice Norris does not evaluate whether the structure of this industry made it possible for a man like Banks to do what the Commission found he did and to operate in the manner which he did. Norris points out that the companies relied almost completely on the union hiring hall to obtain sailors. Yet he fails to point out the importance of the hiring hall as an institution in rationalizing employment relations in the shipping industry.

Other works, especially that of Goldberg, have described in detail the importance of the hiring hall. Goldberg points out the historical importance of the hiring hall which initially rose as a system to protect the interests of the seamen against the oppressiveness of shipping companies. The hiring hall has served its protective function quite well. It has developed the further function of being an employment market. The latter is now the primary function. Through providing them with jobs, the hiring hall focuses the seaman's loyalty on the union. It is the key roles of the union hiring hall of eliminating employer discrimination as the pre-union job controller and of providing equal employment opportunities in the union employment hall which are characteristic of the function of union hiring hall in a rotary shipping industry.¹

The unions have established themselves in Canadian shipping as exclusive suppliers of workers to the Maritime industry. It follows that

¹Joseph P. Goldberg, The Maritime Story: A Study In Labour Management Relations, (Cambridge Mass., Harvard University Press, 1958), Pp. 277-282.

for this system to operate effectively there must be a means for filling the demand for maritime workers. From the maritime unions' point of view, there should be no diminution of their role in granting of jobs to members as the jobs become available.

Mr. Norris points out how a hiring hall system can be abused by union officials to enable them to obtain and maintain complete control over their membership. According to Norris, "democratic unionism" was eliminated in the Seafarers' International Union under Hal Banks.¹ Norris felt that Banks was able to retain such strong control of the S.I.U. through his complete domination of the union's hiring halls.²

Yet, this is not to say that a hiring hall system precludes the existence of democratic unionism. Norris recommended trusteeship over the S.I.U. but failed to stipulate what alternative measures could be taken. It is this observer's feeling that more effective control over the hiring hall itself would have limited the arbitrary authority of those in power in the S.I.U. and enabled democracy to flourish within the union.

There is little doubt that, while Banks was highly autocratic in his methods and did not stoop from using violence and intimidation to obtain his needs, he was a highly popular and well regarded leader. A

¹Norris Report, pp. 249-252.

²Norris Report, p. 296.

significant proportion of the Canadian S.T.U. membership supported the action of his executive and were quite content with the results which he obtained. Norris calls Banks the Hoffa of Canada. This may be an appropriate description in more ways than one. Banks and Hoffa both got their members what the men wanted and were both highly popular among the majority of their own workers. They both were rough, tough operators in industries which were not noted for their gentility. The Religion-Labour Council study of seamen and their attitudes provided an assessment of the opinions of Canadian unionists sailing on the Great Lakes. It revealed very strong support for all Canadian Maritime unions by their own membership.¹

A major recommendation of the Norris Report advocates that the employers be compelled to bargain exclusively with certified unions.² The problem of switching unions because a union has not obtained certification has been endemic to the Canadian shipping industry. The absence of clear-cut procedures and regulations regarding certification enabled the

¹Religion Labour Council, "Survey of Seamen," Unpublished Survey, Toronto 1965. The Religion Labour Council's Survey results have been questioned by many people. The timing of the survey was still "too close to the Banks era" and the sample may have been too small and biased. Nonetheless, it is the only study of seamen that has been done to date. A more thorough and adequate study would be of little value now and would be very, very expensive. The more than one hundred and fifty open ended interviews with Canadian sailors conducted by this Task Force study two years later also revealed strong rank and file support for all Canadian maritime unions.

²Norris Report, p. 307.

S.I.U. to take over the unlicensed personnel in the Great Lakes in 1949 and later on enabled the Canadian Maritime Union to displace the Canadian International Seafarers Union as the accredited bargaining agent for the Upper Lakes Shipping Company. Compelling the employer to bargain with certified unions representing the majority of the companies' employees would stop this switching of unions. However, a serious problem exists in determining how we can evaluate what constitutes a certified union and how we can consider when it was certified.¹

The Norris Commissions' Report did not solve the problems of the shipping industry. What it did do was to pave the way for the imposition of a trusteeship to prevent the re-occurrence of these problems by controlling the Maritime unions. The greatest limitation of the Norris Report was its failure to suggest a structural relationship for the Canadian shipping industry, which, in the absence of Trusteeship, would provide industrial relations void of the violence and disruption that led to the inquiry.

¹See R. A. Shea "Norris Report: Review and Reflection," Faculty of Law Review, University of Toronto, Vol. 22, April 1969, pp. 48-55.

The Hiring Hall: Conclusions and Recommendations

The hiring hall is a logical development in the Canadian maritime labour market with the following characteristics: first, there exists a pool of relatively low-skilled labourers where the supply of workmen is generally greatly in excess of demand. Second, employment is highly seasonal, and the employer's labour requirements are irregular and short-term. Third, there is a casual employment relationship between the employer and the employee, and one employee may be easily replaced by another. Sailors, both deep-sea and inland, fall into this mold. But these same characteristics give the maritime unions the opportunity to exert extraordinary powers over their members via the closed shop and union dispatch.

The hiring hall presents some advantages to all parties involved. To the employer it offers a pool of trained labour available at short notice. It enables him to meet his manpower needs by hiring and dismissing men as his work volume requires and thus keeps his labour costs to a minimum. To the union which has a closed shop and control over dispatch, it offers virtually complete jurisdictional security. By having this control over access to jobs, the union is able to protect itself from a rival seeking to infringe upon the unit. To the employee it offers not only a form of job security, but also complete freedom from the indignity of lining up in the street, hoping to be selected by a ship's officer or gang boss, or even worse, being compelled to pay for the privilege of working as a casual labourer. To the government, the

hiring hall offers an industry-supported labour exchange which can be integrated with the national employment service but which can function without public administration.

The hiring hall system also has its disadvantages. It is criticized because it reduces the employer's discretion in selecting personnel. It is also accused of encouraging job turnover by providing a rapid dispatching procedure. These problems are admittedly inherent in the union hiring hall system, but it was only because the employers of casual labour tended to use crimps or other subcontractors to supply labour that the unions made such an issue of job control. However, the advantages to the employer of access on short notice to a mobile labour pool generally outweigh these considerations.

More serious are the criticisms that such power vested in a union (or as in the case of Hal Banks, in the hands of an individual) enables it to manipulate the labour supply in the market, and that becoming so preoccupied with its economic role as a labour exchange, it tends to become a market union, generally indifferent to the welfare of the membership. Even these faults can be remedied, it is claimed, by an agreement between the employer and the union which gives the employer some discretion over the size of the labour pool and original screening of applicants, and which frees the union from the sole responsibility for the hiring function, allowing it more freedom to handle the affairs of its members.

This study is in complete agreement with the Board of Trustees'

statement that

The foregoing historical analysis shows clearly the hiring and job control is not just another peculiarity of the maritime labour market: it is one of the keys to maritime industrial relations, for a maritime union representing unlicensed seamen could scarcely maintain its position as a bargaining agent unless it had either unilateral or unless it shared joint control over hiring. In short, job control is union security in an industry where a union administers a casual labour pool.¹

But then the Trustees continue by imposing the pre-conditions of an undeveloped state of industrial relations and the need for a union to seek recognition in order to survive as being necessary to justify union control over hiring. Their report goes on to say

The Trustees feel that industrial relations in the Canadian Maritime Industry are not and should not be classed as in an underdeveloped state. As stated earlier, the unions are here to stay, and the real problem is not to work out strategy for the destruction of a union, but rather to develop joint machinery that removes from the bargaining area technical functions like hiring, leaving the parties free to concentrate during negotiations on basic costs and income issues. Stated in technical terms, the hiring function should be institutionalized by joint creation of a permanent union management body to administer all aspects of hiring.²

The Trusteeship did not, in this observer's opinion, give sufficient recognition to the non-market role that the Canadian hiring halls play. The hiring halls serve as a social club for union members

¹Board of Trustees Annual Report, 1966, pp. 12, 13.

²Ibid., p. 13. The Trustees stressed their recommendation for joint operation of the hiring halls. See 1965 Report pp. 20-23, p. 51; 1967 Report p. 9; 1966 Report p. 53.

and as a political meeting place for carrying on of union business. Furthermore, the hiring halls can provide the sailor with a comfortable communications network, a place where he can gather information about jobs and about goings on of general interest to him.

Having fought to establish his own hall, the Canadian sailor is not prepared to see it jointly run by management or controlled by government. The lack of union loyalty towards the shipping companies makes any proposal for joint administration anathema to the sailors. Union members, urged on by their executives, view threats to the existing mode of operation of the hiring hall as a threat to the survival of their union. In such an atmosphere of distrust it is highly unlikely that the unions will be willing to share their control over the hiring process.

The Trustees' recommendation for a shift from unilateral union control to joint union-management control over, and responsibility for, all manpower issues is further unsatisfactory because it refuses to recognize that, in the Canadian shipping industry of today, one or the other of these partners will dominate the relationship. In the unlicensed field, Upper Lakes Shipping Company and its associates would likely be stronger than the C.M.U.; whereas in the S.I.U.-management halls, the companies would be the yes men.

Yet this observer sees a danger inherent in the present unilateral union control over hiring hall services. While the halls were well operated under the supervision of the Board of Trustees, there is

little, other than a union constitution, to protect the membership from abuse of their hiring system. A return to the dictatorial control of the Banks' era could be engineered in the S.I.U. via tight control over the hiring hall. Similarly, abuse of the hiring hall system in the U.M.W. could precipitate the development of undemocratic unionism there as well.

Given the continuation of the historical pattern of rival unionism and the lack of an independent viable employer's bargaining agency, the renewed disruption of the shipping industry is a possibility. In short, stability exists, but pre-conditions for instability persist. The Trustees did little to change the basic structure of the hiring halls. As in the past the hiring halls, the key to maritime union strength, could again be used to foment maritime union abuse.

There are several alternatives to the joint labour management hiring hall proposed by the Board of Trustees. Each has serious disadvantages. Firstly, a tri-partite system could be established. This suffers from the same defects that characterize the bi-partite system in that it is likely one party will be able to exert pressure over the other before the entrance of the third or government party. It, of course, adds the further complication of direct government involvement in the affairs of labour and management. The practical problems of registration, deregistration, dispatching (to name a few involved in running a hiring hall) do not lend themselves to easy solutions by committees. Secondly, the government could step in and administer the hiring halls

directly. However, this level of government involvement is even less liked by the industry than is government participation in a tri-partite system. This suggestion suffers further because organized labour in general would strongly oppose it. Business would be no more anxious than labour to see the government operating the hiring halls. Due to the opposition this proposal would face, this observer feels it is not likely that the government would be willing to take the political action necessary for establishing its control over the maritime hiring halls. Thirdly, a labour run hiring hall could be administered by the representatives of organized labour. But once again it is felt that no concensus could be reached by the various labour organizations which are party to the Canadian maritime labour scene. Lastly, the operation of the hiring halls could be left as they are at present in the hands of the maritime trade unions. This, if combined with government approved safeguards to insure the proper operation of the hiring halls, is, in this observer's opinion, the optimum solution. Labour's right to govern its internal affairs is protected and the government keeps out of the affairs of labour and management.

This report recommends that the Government of Canada define, through legislation, the factors necessary for the proper running of a maritime hiring hall. The government should further stipulate that in cases where Maritime trade unions fail to comply with the regulations governing the operation of their hiring service, the government will take over and directly operate the hiring hall. The legislation should insure

that jobs are allocated on a rotation basis, primary preference being given to those possessing the highest level of seniority and secondary preference being given to the length of unemployment endured by the seaman. The seamen should be guaranteed the opportunity to choose whether or not to work for a particular company and should be allowed a maximum number of refusals (three for example) before losing his seniority. At the beginning of a shipping season, crews should also be offered the opportunity of requesting reassignment to their old berth.

The above general framework for governing the hiring halls should be coupled with regulations for proper registration and deregistration of the seaman by his union hall. Disputes between union members and their union over the operation of the hiring hall could be referred to the Maritime Appeals Board providing that organization possessed expanded powers of investigation.

This combination of the carrot and the stick would mean a return to conditions similar to those ~~existing~~ under the Trusteeship. After 1965, the Trustees had no part in running the hiring halls. They were available as supervisors. The unions were aware of the Trusteeship's willingness to step in and run the hiring halls if improprieties constantly occurred.

The unions should define a framework for establishing rotary hiring and seniority preference which would be acceptable to their membership. In addition, a joint union-management committee could set out the rules governing union operation of the maritime hiring halls.

A joint committee, could also establish the process for controlling the union-operated halls and insuring that government operation would occur in the event of abuse.

The Resolution of Jurisdictional Conflict

This study has pointed out how union jurisdictional conflicts augmented by company rivalry have, through pre-hire contracts and a loose certification process, contributed to the instability of industrial relations in the Canadian shipping industry. While the greatest disruptions have occurred during the Hal Banks era, the conditions for disruption still persist. The pattern of pre-hiring and union switching could re-occur.

In the ideal world there would be no conflict between trade unionists in the same industry. Ideally then, one would expect that the five Canadian maritime unions would negotiate contracts to expire on the same date, and would negotiate as a group with an association bargaining for all the shipping companies.

As a first step the employers must unite to create a separate bargaining institution that will remove union-management relations from the area of competitive advantage, that will, as a corollary, eliminate the present tendency to "side deals" and "pattern bargaining," and that will have the effect of actuating the unions to develop a correspondingly centralized structure.¹

But this ideal state has not arisen. The shipping companies have not formed a strong bargaining association. Their desire to obtain

¹Board of Trustees Annual Report, 1966, page 53. Also see Board of Trustees Annual Report, 1969 (Majority Report), page 31, for the Trustees' hope of promoting integration among licensed unions through negotiation.

a competitive advantage even through collective bargaining is at least as strong as their urge to co-operate.

The Board of Trustees in their final report, were optimistic that a new spirit of union co-operation was developing. But the Board's warning in the same report bears repeating.

The fact that inter-union skirmishes still take place and can still affect the general climate of co-operation which has gradually been established over the past three years is not only evidence of the superficiality of union solidarity to date, but it serves as a warning to the Maritime Union leaders that their present methods of co-ordination and communication are inadequate.¹

The Trustees' hope that a formal means for solving maritime jurisdictional disputes would be developed within the Canadian Labour Congress has not yet materialized despite the fact that the unions representing Canadian sailors are all C.L.C. members. The informal co-operation necessary for integration of maritime unions has been developing slowly. The C.B.R.T. and the C.M.O.U. have worked together for common collective bargaining on the west coast, the C.M.O.U. and the C.M.S.C. have co-operated on the Lakes.

As the example of the Maritime Trades Department of the AFL-CIO demonstrates, integration and co-operation within a department on a few issues does not of itself mean the end of union rivalry.

¹Board of Trustees Annual Report, 1967, page 4.

But the potential for conflict still exists. Jurisdictional rivalry exists on the lakes between the C.M.O.U. and U.A.M.E. The latter is small and weak. It holds the licensed engineers' contract with only one major shipping company, Upper Lakes. It fears the C.M.O.U. and its ally the S.I.U. But, the engineers of U.A.M.E. still possess the support of the C.B.R.T. workers on the seaway. More important, they have the sympathy of a great many more C.B.R.T. maritime members on both coasts (and of the general C.B.R.T. membership as well) who remember the way U.A.M.E. suffered at the hands of the S.I.U.

The C.B.R.T. and the S.I.U. both represent unlicensed seamen on the coasts. The C.B.R.T. efforts to extend its jurisdiction on the west coast has not been forgotten by either union. Now that the C.B.R.T. has dropped its merger negotiations with American railway unions, it can devote more attention to its maritime membership in Canada.

There is also an overlap of jurisdiction between the C.M.S.G. and the C.M.O.U. on the Lakes. The Guild knows that if it takes strike action, the shipping companies can continue operating, as they did in 1965, with the help of the C.M.O.U. This fear of the C.M.O.U.'s strike-breaking power has, the author believes, prompted the C.M.S.G. to co-operate with the C.M.O.U. and to bargain collectively in 1968.

This trend towards integration, the Trustees hoped, would develop into a meaningful form of union co-operation. However, the process could be a long-term one. To maintain stability and prevent a reoccurrence of conflict resulting from jurisdictional disputes, certification

procedures governing maritime trade unions should be tightened up. A certification election should be required by law before one maritime union could displace another. This would prevent the reoccurrence of pre-hire contracts enabling one non-certified union to replace another non-certified union after the expiry of the first union's contract. This proposal would also obviate the necessity for all existing unions to compete to obtain formal certification as the bargaining agent for their membership for each company with which they hold a contract.

Certification procedures should also be changed to ensure that seamen's rights are protected in the case of certification election at the beginning of a shipping season. When ships are laid-up and crews laid-off, crew lists should be drawn up and maintained by the company and the union. The men forming the last crews, if they are still seeking employment, should then constitute the electorate in a situation where the ships are crewless. This, of course, means that sailors should be given the opportunity by labour and management to choose whether or not to work for a particular company.

Appendix A

The Historical Development of Unlicensed
Maritime Unions and of the Hiring Hall System

Maritime trade unions grew out of the sailor's need for protection, desire for security, and attempt to secure improved wages and working conditions. The development of the union run hiring hall paralleled the growth of maritime unionism. Indeed, the hiring hall system, by enabling the seamen to exert a countervailing force against the shipowner and by providing the seamen with an on-shore meeting place was the key to union organization and survival.

The hiring hall was a reaction to the pre union eighteenth and nineteenth century tradition of hiring seamen indiscriminately in any port--irrespective of their training or ability. Shipowners knew that they could operate their vessels adequately with a basic crew of officers and able seamen, supplemented by untrained labourers doing the routine work aboard ship.

Unless a man held papers certifying his status as a captain, mate, pilot or engineer, he was limited to the jobs available for unlicensed seamen. The captains held complete authority over hiring, firing, and discipline. Depending on how a ship was run, the various other licensed personnel also held hiring and disciplinary powers. There was no identity of interest between the licensed and unlicensed seamen. The former feared

the upward pressure generated by efforts of seamen to obtain a license and rise above the unskilled ranks. The latter resented the attempt to keep them down and the arbitrary authority exercised by those in the licensed ranks.

Seamen obtained their job through the offices of private shipping masters or "crimps." The crimp acted as a private supplier of labour contracting with ship's captains for the required number of unskilled men. Deckhands, loaders, firemen, even cooks and wheelmen were supplied by the crimp. To insure an adequate supply of labour the crimps either conspired with the owners of, or themselves controlled, the waterfront taverns and lodging houses. Seamen often knew that they could not get a job on ship if they did not stay in particular accommodations. The seamen were encouraged and abetted in running up large bills in the waterfront dives. They could then be "persuaded" into accepting jobs on ship. In return for their services the innkeepers received payment for the seaman's outstanding bills. The crimp received from the master a basic fee plus an advance out of, or an assignment of, the seaman's wages to pay him for having located the job and to indemnify him for bills paid to innkeepers. The seaman was treated as a body to be hired and discharged at the caprice of the master, exploited by the tavern keeper, traded for profit by the crimp, and abused by the ship's officers.

With the organization of the Sailor's Union of the Pacific in 1885, North American sailors began their serious fight to break the oppressive hold of shipping masters and crimps over hiring and firing, wages, and working conditions--the major concerns of men earning their livelihood as sailors.

Its aims included more than the attainment of economic benefits normally sought by labor unions. While it sought for 'fair and just remuneration' and 'for sufficient leisure' its constitution stated that its goals were also 'healthy' and sufficient food and proper forecastles in which to rest, to be 'treated in a decent and respectful manner by those in command' and 'engagement without interference of crimps or other parties not directly interested.'¹

The union leaders felt the best way to eliminate outside control of the seamen's labour market was through a union run, rotary-hiring service open to all union members without charge. The shipowners countered this by organizing their own hiring offices. Unable to withstand the pressures of the shipowners, crimps, and the onset of a depression, the S.U.P. was forced to permit free hiring by ship captains and to allow its members to search out their own employment. Led by Andrew Fususeth, the president of the S.U.P. and the International Seaman's Union (to which the S.U.P. was affiliated) the seamen attempted to organize the sailors on the lakes and the Atlantic coast. They also urged the United States Congress to change the legislation affecting seamen. Following the passage of the Seaman's Bill of 1915, which was partly aimed at eliminating the lingering abuses of the crimp, unions were able to assume greater control over hiring. By 1916 on the Pacific Coast S.U.P. men were being given preference in hiring, and were being hired through the union.

These successes proved, however, to be only temporary gains. In the period following World War I the employers pursued an aggressive open shop policy and wrested job control from the S.U.P. The union fought hard to maintain job control, but after losing the strike of 1921 it had

¹Joseph P. Goldberg, The Maritime Story: A Study in Labor Management Relations (Cambridge: Harvard University Press, 1958) pp. 16-17.

to concede job control to the employers or face complete destruction. This about face in the S.U.P.'s fortunes was caused by three factors. First, the Shipping Board, a government agency created during the war to build and operate ships, pursued an open shop policy. Second, the high level of unemployment during the post-war recession made an almost unlimited pool of unskilled labour available to the employers. Third, the engineers (National Marine Engineers' Beneficial Association) withdrew their support for the unlicensed seamen's strike, making it possible for the employers to operate despite the strike.

The employers regained complete job control in the U. S. maritime industry, a control they had not lost in Canada, as no unlicensed seamen's union had yet come on the scene. They maintained control by means of an employer-operated, exclusive hiring hall through which all seamen had to be dispatched. By means of the employer-issued continuous discharge book or "fink book" (so-called by the union men) the employers obtained a continuous record of a seaman's service. The captain had to sign the book and list the reasons for discharge. The fink book, by its gaps, disclosed participation in strike action and enabled the employers to discriminate against any seamen involved in strike activities. The captain or mate, by refusing to sign the book or by not giving the seaman a rating of "very good," could ruin the seaman's record and prevent him from getting a new berth. In addition, the employers employed a blacklist which, because of centralized employer hiring halls, enabled them to prevent known union sympathizers from obtaining jobs.¹

¹For thorough descriptions of the early fight for control over hiring in the maritime industry on the U.S. east and west coasts see

It took the National Industrial Recovery Act a piece of New Deal legislation in 1933, to help revitalize the moribund maritime unions. They again challenged unilateral employer control over the seamen and asserted themselves under the protection of the Act's provision prohibiting employers from interfering with their employees' right to organize and bargain collectively. After a prolonged and bitter strike in 1934, the Sailor's Union of the Pacific obtained collective agreements with the west coast shipping companies. The S.U.P. and the International Longshoremen's Association joined forces in this strike and fought together until its resolution. The major gain for the S.U.P. was the assurance of continued security for the union and the seamen. This was effected largely through union control over hiring.

These west coast successes stimulated the east coast seamen to attempt to obtain the same benefits. The more conservative I.S.U. obtained recognition as a bargaining agent and negotiated collective agreements but failed to obtain as favourable conditions as were granted to the west coast seamen. The I.S.U.'s agreement granted union preference. But, employment "continued on the same uncertain and disorganized basis which had existed prior to recognition--hiring was still done through company employment offices, through shipping masters (crimps), on the docks, and through the union."¹ This contrast with the better conditions

Goldberg, pp. 97-118. For the Great Lakes see Charles P. Larrowe, Maritime Labour Relations on the Great Lakes, (East Lansing, Michigan, Michigan State University Labor and Industrial Relations Center, 1950), pp. 41-50.

¹Goldberg, The Maritime Story, p. 151.

and the union hiring halls prevailing on the west coast gave the dissident faction in the I.S.U. further cause for overthrowing their leaders. Renewal of this unfavourable agreement in 1936 led to the complete dissolution of the I.S.U. and its replacement by the National Maritime Union and the Seafarers' International Union of North America.¹

The Canadian government finally took legislative action to protect the seamen. In 1934 the Canada Shipping Act was passed. Its major features declared the crimp illegal, provided for discharge procedures for use at the end of a voyage together with a continuous discharge record, (this fine book provision appalled Canadian seamen), established provisions for prompt and proper payment of seamen, made the ship's master responsible for the repatriation of a seaman dismissed in a foreign port, and prohibited prior assignment of a seaman's wages for debt coverage.

The government's action was followed in 1935 by the attempt of the Canadian Seaman's Union to organize Canadian unlicensed sailors. The attempt failed because the shipping companies were able to hire on new crews. There was no shortage of unskilled, able-bodied men during the hungry thirties and sailors were easily found. It was not until 1937 that the C.S.U., backed by the International Longshoremen's Association threatened refusal to handle Canadian ships in American ports, was able to sign contracts with Canadian shipping companies.

However, the Canadian Seamen's Union was still relatively powerless

¹Goldberg, The Maritime Story, pp. 150-168.

after it obtained recognition. Canada Steamship Lines dealt with the C.S.U. as the exclusive bargaining agent for sailors but the union did not have a union-shop agreement. During its early years the C.S.U. had tight control over its members, but could not force membership on to all the sailors. The companies would hire men in any port they needed and the union had a full hiring hall only in Montreal. The C.S.U. was supposed to be operating under a preferential hiring system but it was unable to police hiring very closely. It did not have a compulsory check-off provision in its contracts. Furthermore, since it lacked representatives in many Great Lakes ports, it could not control new hiring in these ports. Thus the C.S.U. often had no way of knowing who was aboard during much of the ship's voyage.

It was not until the beginning of the 1940 shipping season that the C.S.U. was able to exert greater control over hiring. Had the advent of World War II not dried up the pool of manpower available to shipowners, it is doubtful that the company practice of hiring on anti-union men and discharging union men in ports without union facilities could have been stopped. Only then did the companies approach the union and attempt to hire union sailors who were "on the beach" through the union's hiring hall.

For seamen, the lessons learned through fifty years of fighting to build up maritime trade unionism pointed out the vital importance of union control over hiring halls. Job control was essential to the control of the bargaining unit. Central administration, establishing and maintaining uniform regulations and procedures, was essential for effective organization of a membership constantly moving from port to port.

Appendix B

Conflict: The Seafarers' International Union and the
Canadian Seaman's Union

After World War II, the Canadian Seaman's Union was the major spokesman for Canadian sailors on the Lakes, St. Lawrence and the Atlantic. In 1946 the shipping companies opposed the C.S.U.'s demands for the institution of an eight-hour day to replace the two-watch twelve-hour day. The companies agreed to this only after a strike in which the government used its special powers (the war-time powers had not yet been removed) to appoint a controller to take over and carry out the operation of all twenty-nine Lake shipping companies affected by the stoppage. During the period of government control agreements were negotiated which provided for the eight-hour day under the existing monthly wage rates, effective to the end of the 1947 season. This settlement included provision for a government conducted vote of employees on the question of representation by the C.S.U., the companies agreeing that if the C.S.U. obtained a favorable vote, they would negotiate an agreement for 1948.

On March 15, 1947 Pat Sullivan, the C.S.U. president, resigned from the union.¹ Since he was no longer a union executive member, he could not remain as Secretary-Treasurer of the Trades and Labour Congress

¹J. A. (Pat) Sullivan, Red Sails on the Great Lakes (Toronto: Macmillan & Co., 1955), pp. 163-173.

of Canada. The C.S.U. was already under heavy attack in the Congress by anti-communists and supporters of the S.I.U. Sullivan's position as T.L.C. Secretary-Treasurer had been a buffer for the C.S.U. and with his resignation they became more vulnerable.

Two weeks later Sullivan announced the formation of a new unlicensed seamen's union, the Canadian Lake Seamen's Union. He was convinced that he enjoyed the support of a large element of the C.S.U. rank and file. Later Sullivan was in contact with Canada Steamship Lines (Canada's largest shipping company) and they promised to support him in his attempt to set up a rival to the C.S.U.

The bargaining practice of the C.S.U. was to start its yearly contract negotiations in the late fall and stall them out until the end of the winter. The threat of no contract and therefore of no crews after the start of a shipping season had been strong enough to force the shipping companies to sign.

A vote taken in the fall of 1947 for representation on the Colonial Steamships and the Sarnia Steamships Ltd. was in favor of the C.S.U.. In spite of the 1946 agreements and the vote, these companies refused to deal with the C.S.U. and refused to attend conciliation hearings. The companies' refusal to bargain continued through the winter. An industrial inquiry commission set up to investigate the companies' conduct reported on April 15, 1948 as follows:

The making of an agreement might have proved to be impossible. The companies made the impossibility a certainty as they declined to make any attempt. Such conduct is an open breach of their agreement with the Union, and of their undertaking made with the Government

of September, 1947. By their action and inaction the companies have also broken the admirable, long established, and beneficial practice by which Canadian employees and employers sit down together around a table in an attempt to settle their difficulties. They have admitted that they have made an agreement with a rival organization (the C.L.S.U.). The reasons which they advance are their objection to the alleged political opinion of certain officials and the alleged infiltration of their ideas in the Canadian Seamen's Union.

We are unanimous in stating our belief that the defiance of the existing law, the breach of the existing agreement, and the failure to fulfil the promise made by these companies to the Government are a serious threat to the recognized practice of labour conciliation, and are moreover, the worst possible weapons any employer could use in a dispute with the legally constituted bargaining representative of his employees.¹

Canada Steamship had also refused to bargain with the C.S.U. On June 7, 1948, the Commission appointed to conciliate the dispute between the C.S.U. and C.S.L. concluded that the C.S.U. was a de facto representative (although not certified) with which C.S.L. had a legal obligation to bargain. The Conciliation report further stated that the law did not permit C.S.L. to breach its obligations on the political grounds that the C.S.U. was Communist dominated.²

These three companies (Colonial, Sarnia, and C.S.L.) were reported to have signed agreements with the Canadian Lake Seamen's Union. The C.S.U. tried to prevent all the vessels of these companies from sailing. The companies were able to continue to operate most of their ships

¹The Norris Report, p. 47.

²Canada Department of Labour, Report of an Industrial Inquiry Commission. L. W. Brockington Q.C., and J. D. McNish, Commissioners, April 15, 1948, pp. 3-7.

with C.L.S.U. crews despite harrassment and violence instigated by the C.S.U.¹

In August 1948, Pat Sullivan was forced out of the presidency of the C.L.S.U. On September 1, 1948 that union merged with the S.I.U. At this point, Harold Chamberlain Banks entered Canada to take direct charge of the Seafarer's International Union of North America's fight to supplant the Canadian Seamen's Union.

The S.I.U. had been active in soliciting the support of organized labour in the United States and in Canada. William Green, A.F. of L. president, had backed the S.I.U.'s earlier claims to Canadian jurisdiction. In 1944, following the S.I.U. expulsion of the C.S.U., Green wrote to the Trades and Labour Congress of Canada, and to the Canadian districts of A.F. of L. affiliates demanding that the S.I.U. be affiliated to the T.L.C. in place of the Canadian Seamen's Union.² The T.L.C. rejected the S.I.U.'s application for affiliation on the grounds that the C.S.U. had held a national charter for Canada since 1936 and that the S.I.U. had been in existence in Canada for nine years before seeking affiliation.³

During the struggle between the C.S.U. and C.L.S.U., the S.I.U. of North America obtained support for its jurisdiction claims over

¹The Norris Report, pp. 48-49.

²Letter from William Green, President, American Federation of Labour, to Percy Bengough, President, Trades and Labour Congress of Canada, July 7, 1945.

³Minutes of the Trades and Labour Congress of Canada, August 16, 1945. This is the first mention in the minutes of the S.I.U.'s challenge.

Canadian unlicensed seamen from the Canadian Brotherhood of Railway and Steamship Clerks and its President, Frank Hall. The T.L.C. retaliated against the Brotherhood of Railway and Steamship Workers. At its September 10, 1948 Executive Council meeting, the T.L.C. voted to expell Hall and the union for supporting the S.I.U. as a dual union. The S.I.U. drew in William Green, George Harrison (President of the International Brotherhood of Railway and Steamship Clerks), and George Meany. They put pressure on the T.L.C. to accept the S.I.U. and remove the suspension of the Railway Brotherhood. The issue quickly expanded from a mere question of rightful jurisdiction over seamen. The T.L.C. accused the A.F. of L. of interfering in the activities of Canadian trade unionism in general and in the internal affairs of the T.L.C. in particular. The A. F. of L., in return, accused the Canadian body of harbouring Communists, of allowing them to wield a disproportionate influence in the affairs of the T.L.C., and of discrimination against American international unions. An American Federation of Labour Trades and Labour Congress of Canada Joint Committee had been set up to handle conflicts between the two bodies,¹ and the T.L.C. referred the Seamens' dispute to the Joint Committee. Bengough went to Miami only to find that the A. F. of L. Executive Committee had made no arrangement to participate in the Joint Committee. Instead, the T.L.C. President received a statement by the A. F. of L. Executive Committee denouncing Communism and demanding that the T.L.C. account for its soft line on Communism.²

¹See Reports of Executive Council Joint Committee A.F. of L. --T.L.C. February 20, 1947, Washington, D. C.; May 6, 1947, Ottawa, Canada; and September 5, 1947, Chicago, Illinois.

²Minutes of the Meetings of the Executive Council of the Trades

Behind the scenes activity at the A.F. of L. convention of February 1949 determined the outcome of this battle. Paul Hall of the S.I.U. Atlantic and Gulf Coast and Harry Lundeborg and Hal Banks of the S.U.P. working through the A.F. of L. Maritime Trades Department (founded in 1946 by Lundeborg) convinced A. F. of L. Internationals to threaten to withhold their per capita payments to the T.L.C. By May of 1949 fourteen internationals representing some 100,000 Canadian workers had decided not to pay their T.L.C. per capita tax. The attitude adopted by the internationals amounted to asking--Would you rather keep us or the Canadian Seamen's Union? The T.L.C. Executive was convinced that it would be impossible to win and felt that if they continued their fight, the A. F. of L. would set up another Congress in Canada.¹ The T.L.C. was beginning to succumb. Support for the Canadian Maritime Union was dwindling away.

While all this behind the scenes activity was taking place, the Canadian Seamen's Union was fighting its own battle with Banks and the Canadian shipping companies.

Banks entered Canada in February 1949, just in time to face a strike called by the C.S.U. against Canadian shipping. He came prepared. As the administrator of the Canadian District of the Seafarer's International

and Labour Congress of Canada. Monday April 1, 1946 through to Sunday September 10, 1950.

¹Fifteen years later the Canadian waterfront again became a battleground for the Canadian and the American Labour congresses. On this occasion, Canadian opposition to interference in internal affairs became the successful rallying call for opposition to the S.I.U.

Union of North America, he had sole authority for its entire operation. He had also lined up the support of Paul Hall. Through Hall he got the backing of the International Longshoremen Association (A.F. of L.) in the United States East Coast and Great Lakes ports. Banks also came with plenty of cash and more was available to him if needed.

In addition to the cash and the trade union support, Banks also had a signed contract with Canada Steamships Lines. The contract was publicly announced on March 26, 1949 and was effective retroactively from February 1, 1949. The contract was part of a sweetheart deal with C.S.L. Banks promised the company freedom from S.I.U. interference. Canada Steamships agreed to hire through a union hiring hall. Through this pre-hire contract the employer, not the employees, had selected the union and the union could force the employees to join it in order to keep their jobs.

It was one thing for Banks to sign with the companies which had already broken away from the C.S.U. and successfully sailed through one shipping season without C.S.U. crews. At least he had a reserve of able bodied seamen to draw upon for manning the ships. But, with the success of the C.S.L. contract behind him, Banks went to Halifax where on March 31, 1949 he announced the signing of an agreement with the East Coast shipping companies which were being struck by the C.S.U. at that time.

The C.S.U. still was the recognized seamen's bargaining agent with twenty-seven deepsea cargo fleets.¹ When its contracts with these

¹It must be pointed out that before the completion of the St. Lawrence Seaway, cargo bound for inland waterway ports had to be trans-

companies expired at the end of 1948, the C.S.U. demanded a wage increase and improved fringe benefits and working conditions. A Conciliation Board set up under the Industrial Relations and Disputes Investigations Act, recommended no changes in the existing contracts. The employers accepted their recommendations. The C.S.U. rejected them and ask for a further conference with the companies. But by this time the companies had begun negotiations with Banks for a contract along the lines of the Conciliation Board Report.¹ Banks by now held contracts covering some 50 ships and 3,000 men on the Lakes and West Coast. The C.S.U. had held contracts for over 200 ships and had 8,000 members.²

The C.S.U. struck the ships it was manning. The strike quickly spread and violence churned in its wake. Even though he had no sailors available to man the deepsea fleet, on March 31st Banks signed an agreement with the Shipping Federation of Canada (representing the deepsea companies) in Halifax. It appears that this action was within the legal rights of the shipping companies as the C.S.U. was not the certified bargaining agent for their ships. The S.I.U. contract was not challenged before the courts or the Canada Labour Relations Board.

shipped before the Lachine rapids. Most ocean-going ships were too large to proceed further upriver and most lakers too small to head into the Atlantic. Canada Steamship Lines was the only major shipping company (deep-sea and inland) holding a contract with an unlicensed seamen's union other than the C.S.U.

¹The contract Banks signed with C.S.L. was identical to the C.S.L.-C.L.S.U. agreement of the year before. The contract signed with the deepsea companies was a twin to the C.S.L. contract and closely followed the Conciliation Board's recommendations.

²Toronto Globe and Mail, March 28, 1949.

Canadian flag vessels were tied up in British ports by the dockworkers' support of the C.S.U. The C.S.U. attempted to rally the support of other trade unions and worked behind the T.L.C.'s back with C.I.O. and Canadian Congress of Labour unions. Banks meanwhile used his promise from the longshoremen. Joseph Ryan, President of the International Longshoremen's Association, put pressure on the Canadian ship-owners to drop the C.S.U.¹

In August, the I.L.A. closed the U.S. ports to ships of Canadian companies still holding C.S.U. contracts. Twenty-four ships of Patterson Steamship Ltd., twenty-six Upper Lakes and St. Lawrence Company ships, and six ships belonging to the Quebec and Ontario Transportation Company could not be unloaded. This was a direct move on the S.I.U.'s part to force the companies to tear up their contracts with the C.S.U. Senator Norman M. Patterson, President of Patterson Steamships, said that Banks had warned him of the consequences of ignoring the S.I.U.²

Violence spread during April. In Halifax one man was killed and three others wounded in waterfront shootings. Five S.I.U. men were arrested. In late night attacks in Port Colbourg and Welland, S.I.U. men boarded C.S.U. manned boats, beat up their crews and threw them off board.

The Canadian public and press were not oblivious to the waterfront violence.

¹Hansard, April 5, 1949, speech of Labour Minister Humphrey Mitchell.

²Toronto Globe and Mail, August 31, 1949, p. 1.

. . . There is a responsibility, however, on the law enforcement authorities to stop the unwarranted violence which has been taking place. No sense of grievance can excuse the brutal assaults of men in their beds and on those carrying on their lawful pursuits. More vigorous action by the police to protect citizens who might be likely to suffer as a result of this dispute is called for. The federal law enforcement agencies must accept their share of the burden.¹

The most telling statement on the extent of organized violence was made by Banks himself in his Report as Canadian Administrator of the S.I.U. to the union's 1951 convention.

The Canadian Seamen's Union resorted to violence such as has never been witnessed in a labor war. Wholesale mayhem and attempted murder were the order of the day. We were forced by the circumstances to meet this deplorable situation with the only thing that these people can understand and that was the same thing that they were giving us, with interest . . . It is needless for this report to go into the events at Halifax, Saint John, Welland, Fort William, Vancouver, Victoria, and Montreal. We would choose to just say that the battles were many and although the Seafarers' International Union did not always win the first round, we won the majority of these battles decisively.

The Atlantic and Gulf District of the Seafarers' International Union of North America and the Sailors Union of the Pacific gave all-out aid, morally, financially, and physically, particularly Weisberger came into Halifax with a group of experts and fought a battle that they will long remember. They brought in specialists in certain fields. They brought in men who knew their business when it came to drawing up transcripts for radio broadcasts, they brought in experts on public relations, and they brought in broad shouldered boys--in fact, a complete setup.²

Support for the C.S.U. was faltering. The secretary-treasurer of the I.L.W.U. (Harry Bridges' union) directing the strike in Europe and England was ordered out of England. The International Transport

¹Toronto Globe and Mail, Editorial, April 26, 1949. See also Montreal Star, April 23, 1949.

²As cited in The Norris Report, p. 50.

Workers' Federation urged its affiliates to counteract the Communist activity. It warned that the conflict was not an industrial conflict as the C.S.U. claimed, but part of a political campaign to which the I.T.W.F. was opposed. In July, the London dockworkers voted to resume work on Canadian flag vessels.¹ In cases where C.S.U. crews refused to sail, the captains with the aid of the S.I.U. and the acquiescence of the engineer's and mate's unions found replacements.

Canadian support for the S.I.U. was growing. The Canadian Congress of Labour rejected the C.S.U.'s request for support and by February 1949 had denounced the C.S.U. as a Communist-inspired and controlled trade union. The United Steelworkers, which had strongly sympathized with the C.S.U., grew disenchanted. The Canadian Steelworkers opposed the C.S.U. because of its Communist ties and the support the Communist unions gave Steel's arch rival, the United Mine Workers. By the end of 1950, the steelworkers were outrightly opposed to the C.S.U. The S.I.U. in the United States made only a token attempt to oppose the Steelworkers Local 5000's organizing campaigns among seamen on the American steel fleets in 1951. Banks and the S.I.U. of Canada, by then the strongest seamen's union on the Lakes (Canada and America) did nothing to oppose the United Steel Workers of America's organizing of the steel company fleets.

Under mounting pressure from the A.F. of L. affiliates, the

¹Louis Goldblatt, "Lessons of the London Dockers' Lock-Out," World Trade Union Movement, August 1949, pp. 53-54, as cited by Philip Taft The Structure and Government of Labour Unions (Cambridge, Harvard University Press, 1954), pp. 209-210.

Executive Committee of the T.L.C. revoked the membership of the C.S.U. on June 3, 1949.

By the end of 1949 shipping season the C.S.U.'s strike policy had reduced the union to a shambles.

Banks had signed up and provided full crews for over 140 C.S.U. ships. All that remained to the C.S.U. were the companies it had signed with at the beginning of the 1949 season.

The C.S.U. failed to renew any of its contracts which expired in the spring of 1950. These crews were still loyal to the C.S.U. but the union was afraid to call a strike.

In March of 1950 Upper Lakes was approached by Banks, who insisted that Upper Lakes sign with the S.I.U. for its unlicensed personnel. Banks was advised by officers of Upper Lakes that the company would not sign with the S.I.U. unless he first organized the company's seamen. Banks took the position that he did not operate in this manner and threatened to tie up Upper Lakes vessels in United States ports unless the company immediately signed with the S.I.U. Upper Lakes refused to sign and Banks made good his threat. The I.L.A. stopped handling Upper Lakes ships in Cleveland, Duluth, Buffalo, and River Rouge. As a result, late in the 1950 navigation season, Upper Lakes was forced to agree with Banks that the company would, commencing with the 1951 navigation season, sign a collective bargaining agreement with the S.I.U. covering unlicensed personnel and would, in the meantime, co-operate with the S.I.U. to ensure that only unlicensed personnel acceptable to the S.I.U. were hired.

The Upper Lakes personnel director, Tom Houtman then had to tell his company's sailors that they would sail as S.I.U. members or not at all. Banks, in signing Upper Lakes, specifically rejected the company's offer to seek a Government-supervised certification vote among its employees.

The final blow to the fortunes of the C.S.U. was dealt by the courts. Branch Lines Limited applied to the Canada Labour Relations Board to revoke the C.S.U.'s certification. The company argued that the C.S.U. was no longer a trade union with the terms of the Industrial Relations and Disputes Investigations Act because it was Communist controlled and directed. The C.L.R.B. upheld Branch Lines' application and on December 7, 1950 ruled that Canadian Seamen's Union was not a union because its goals had been perverted by Communist domination. The C.S.U. appealed to the courts to quash the C.L.R.B. ruling but their writ of certiorari was denied. The S.I.U. by this time had no opposition in Canada from the Atlantic to the Pacific.

On April 21, 1951 the T.L.C. executive recommended the acceptance of the S.I.U. membership application.

Appendix C

Conflict: The Seafarers' International Union and the
National Association of Marine Engineers

From their own experiences on both coasts in the United States,¹ and from their role in defeating the C.S.U., the leaders of the Seafarers' International Union of North America realized that in order for a unlicensed union to have any real security, it must have a guarantee of support from one of the officer groups--engineers or deck officers. Otherwise, the unlicensed seamen, having very limited skill requirements, faced the risk of being replaced by strike breakers directed by the officers.

Banks recognized the importance of support from the engineers very early in his career in Canada. In January 1950, the S.I.U. tried to raid the National Association of Marine Engineers. N.A.M.E. had been affiliated with the Trades and Labour Congress of Canada since 1906, had certification in a majority of its bargaining units and represented almost all of the licensed engineers on the Great Lakes. Percy Bengough, the T.L.C. president demanded that Banks cease raiding. Only after Banks complied did the T.L.C. consider and then accept the S.I.U.'s application for T.L.C. membership. N.A.M.E. supported the application.

¹Coldberg, The Maritime Story, p. 102 and p. 161.

In 1954 N.A.M.E. split itself into an eastern and western district for administrative purposes. This split, unfortunately, produced conflict within the union. In August 1956, Banks went to Vancouver where he discussed the union's problems with its western officers. The S.I.U. gave N.A.M.E. financial assistance. Banks aided the west coast officers in assuming overall control of both divisions of N.A.M.E. Banks arranged a meeting between the west coast officials of N.A.M.E. and C.S.L. officials. The company agreed to pay the check-off to N.A.M.E., not to the eastern division of the union which had been receiving it. N.A.M.E. then opened a new national office in Montreal under the direction of Richard Greaves, the union's national president. The N.A.M.E. officers reached an understanding with Banks, agreeing that N.A.M.E. would not become part of the S.I.U. but would co-operate with it.¹

N.A.M.E. contracts came up for negotiation concurrently on the Great Lakes and on the West Coast early in 1958. Greaves took charge of the western negotiations and John Wood, N.A.M.E. Secretary-Treasurer, was given the responsibility of negotiating the eastern branch settlement. By September, after six months of effort, Woods concluded agreements on behalf of N.A.M.E. with almost every Lake shipping company including the members of the Association of Lake Carriers.

Out west, the S.I.U., N.A.M.E., and the Canadian Merchant Service Guild could not settle their dispute with the British Columbia

¹See the Norris Report, pp. 51-54.

Coast Steamship Service of the Canadian Pacific Railway. The Federal Government mediated the dispute and all parties but the S.I.U. were prepared to settle. The S.I.U. went on strike despite Greaves' efforts to get them to agree.

The situation was considered urgent because certain essential supplies and services to Vancouver Island and coastal points were almost entirely discontinued. To end the strike, Parliament passed the British Columbia Coast Steamship Service Act, requiring the return to work of striking employees, and providing for the appointment of an administrator to restore and maintain services . . . The administrator remained in charge until the parties, with the assistance of a federal mediator, reached agreement in February, 1959.¹

The Canadian Government had done all in its power to bring about a settlement. Its concern over the public interest convinced the Conservative Government of John Diefenbaker to force a solution. This action was later to serve as a precedence for further government intervention.

Banks was angered by what he considered N.A.M.E.'s refusal to support the S.I.U. He arranged with John Wood to transfer N.A.M.E.'s eastern assets to the S.I.U. of North America, Canadian District, and to set up an Engineers Division within the S.I.U. Greaves came east and tried to speak to Banks, but Banks would not see him. He went to the N.A.M.E. office and found the locks changed. Wood, supported by Banks, called a meeting of engineers without giving any advance notice to Greaves. A resolution was passed recommending that a referendum ballot

¹Canada, Department of Labour, Labour Legislation of the Past Decade (Ottawa: Queen's Printer, 1963), p. 74.

of N.A.M.E. members be held to determine whether the union should remain independent or merge with the S.I.U.

The referendum was to be completed by October 21st, 1958. On October 1st, Banks, McLaughlin, Wood, and Mike Sheehan marked and kept enough extra N.A.M.E. ballots to insure that the referendum would approve a merger with the S.I.U. On the appointed date, the results of the referendum announced approval of the merger. On the same day Greaves obtained a court injunction against Wood and his assistant, Peter Scragge, restraining them from using any N.A.M.E. funds and from entering N.A.M.E. premises. Greaves was thrown out of his union's offices. In breach of that injunction, Wood and Scragge handed over the funds of N.A.M.E. to Banks, moved to the S.I.U. Hall, set up the S.I.U. of North America, Licensed Division and became employees of that division.¹

In 1959, the S.I.U. brought heavy pressure to bear upon the members of the Lake Carriers Association to force them to abandon their legally contracted (and still in effect) agreements with N.A.M.E. and to sign with the Licensed Division of the S.I.U. In February, Greaves was informed by Dunkerely that C.S.L. had signed with the S.I.U. for its engineers. Dunkerely told Greaves:

There are no teeth in the labour laws. Have a look at the Act. First of all, you have to go to the Minister and get permission to prosecute. That will take you a couple of months. We will kick it around in the courts here for a year and if necessary we will take

¹Judgement of Canada Labour Relations Board on the application for certification for engineers by the Seafarer's International Union of North America, Canadian District - Ottawa, August 23, 1961, contained in The Norris Report Schedule 25, pp. 423-432.

it to the Supreme Court of Canada. This will take about two years. We have assurance from Mr. Banks of indemnification-- by this time you will be out of business if you do not get your dues coming in, you know that, that is the way of life.¹

Several smaller lakes operators quickly followed suit. Each employer, including those not yet signed with the Licensed Division, received a letter of indemnity from the S.I.U. It gave them assurance against any claims that might be made as a result of their ignoring N.A.M.E., the certified bargaining agent.² The companies which had already signed with the S.I.U. were under contract to both unions. The S.I.U. contract was drawn up to expire on December 31st, the same day as the N.A.M.E. contracts expired. The employers conduct paralleled their action in 1948 when they ignored the C.S.U. and bargained with the J.L.S.U. and again in 1949 when they ignored the C.S.U. and bargained with the S.I.U.

On June 18th, 1959, the S.I.U. was suspended from the Canadian Labour Congress for raiding N.A.M.E. and the Canadian Merchant Service Guild. Under the C.L.C.'s constitution, the S.I.U. had the opportunity to appeal its suspension. The Canadian Sailor explained that the action was taken by the executive following a refusal by the C.L.C. to discuss the S.I.U. charges of raiding against the Canadian Brotherhood of Railway, Transport, and General Workers (C.B.R.T.) and following the S.I.U. refusal to turn over its Licensed Division to the C.B.R.T.³ No such charges had

¹The Norris Report, p. 54.

²The Norris Report, p. 55.

³The Norris Report, p. 55.

been filed by the S.I.U., nor had any such demands been made by the C.L.C. The S.I.U. never took its case before the Congress membership as it had every right to do and it was expelled from the Congress on April 28, 1960.

The S.I.U. had been in conflict with the C.B.R.T. Both had tried to organize the St. Lawrence Seaway Authority's workers. The C.B.R.T. had just obtained certification as bargaining agent from the Canada Labour Relations Boards. When the S.I.U. lost the certification fight The Canadian Sailor accused the Board of having entered into a conspiracy with the Seaway Authority and the C.B.R.T. against the S.I.U. The Board demanded and obtained a retraction of the charges. The purpose of these charges was to show that there was a conspiracy between the Congress and the Board against the S.I.U.

The C.B.R.T. was also attempting to organize west coast unlicensed seamen in conflict with the S.I.U. At this stage, neither union had obtained certification over the units being organized. Greaves, of N.A.M.E., was assisting the C.B.R.T. on the west coast. In January of 1960 he was brutally beaten in his Vancouver office.

The Canada Labour Relations Board still regarded N.A.M.E. as the certified bargaining agent for the engineers. The Board advised the Lake Carriers Association that N.A.M.E. was still the certified bargaining agent for all their engineers. New agreements were signed with N.A.M.E. covering the period to December 31st, 1962 by the Hall, Patterson, Scott Meisener, Upper Lakes, Norris Grain, and Leitch Transport shipping companies. Canada Steamship had quit the Association a year earlier.

On learning of this N.A.M.E. agreement, the S.I.U. called a strike of its unlicensed personnel on the Patterson and Scott Meisener ships to force the companies to bargain with the S.I.U. Licensed Division. The S.I.U. had signed a new agreement with these two companies on October 8th, 1960. Its strike on November 8th was in violation of the contract's No Strike Clause and was illegal under the Industrial Relations and Disputes Investigations Act.¹ The strike lasted only two days. The two companies agreed to operate on the assumption that the S.I.U. was the proper bargaining agent, notwithstanding the N.A.M.E. certifications. Banks repeated his guarantee of indemnity for the companies against court action.

The Canada Labour Relations Board ordered that a representation vote be taken for engineers in May 1961. In all companies except Upper Lakes Shipping, a majority of engineers elected the S.I.U. as their bargaining agent. However, in July, following its hearings into the transfer of the N.A.M.E. membership to the S.I.U., the Board concluded that the S.I.U. had acted fraudulently. It ordered that certification over the engineers be withheld from the S.I.U. The S.I.U.'s application for certiorari to quash the Board's order was denied by the Ontario Supreme Court.²

¹Telegram from the Minister of Labour to Hal Banks, November 9th, 1960. Text as follows: "Further to my earlier telegrams to which I have not received reply I am now making the formal request that you immediately arrange for termination of illegal strike of members your organization employed on Lake shipping. I want your immediate advice by telegram that this has been done. In the alternative government will consider other measures to effect resumption of work."

²The Norris Report, pp. 58-62.

During the fall of 1961 and the early months of 1962, several Lakes operators, ignoring the Board's decision, entered into agreements with the S.I.U. covering the engineers. By June 1962, all of the Lakes operators except Upper Lakes and its affiliates, had entered into a two year agreement with the S.I.U. Licensed Division.

Appendix D

Conflict: The Seafarers' International Union and
The Canadian Maritime Union

Loss of the representation vote covering engineers of the Upper Lakes fleet angered the S.I.U. leaders. Tom Houtman, Personnel Manager of Upper Lakes, was advised by Leonard McLaughlin that his company would be punished by the S.I.U. for refusing to deal with the Licensed Division. In April, 1961, the Wheat King, a vessel owned by Island Shipping Company Limited, a subsidiary of Upper Lakes, was manned by S.I.U. unlicensed personnel. The S.I.U. began to complain that there were not sufficient men aboard the vessel and attempted to add seven additional unlicensed men to the crew. McLaughlin advised Houtman that this was part of the punishment the S.I.U. would mete out to Upper Lakes.¹ In order to avoid expensive delays, Island Shipping agreed with the S.I.U. to temporarily place three additional unlicensed personnel aboard the Wheat King pending arbitration of how many additional unlicensed personnel were required and to withdraw all charges laid against S.I.U. members.² The Wheat King sailed but was forced to return to port where it was temporarily laid up

¹The Norris Commission Hearings, Vol. 2, p. 147, confirmed by Confidential Interview Number 6.

²Raymond Doucet and Gilbert Gauthier, S.I.U. Vice-Presidents, were charged, under the Canada Shipping Act, with "enticing the crew" to the end of committing desertion. They were convicted and sentenced to two months in prison. Upper Lakes did not give evidence at their appeal and the case was dropped.

with engine difficulties. When the repairs were completed, the S.I.U. refused to supply a crew for the Wheat King. After a prolonged tie-up, the captain and Tom Houtman went to Montreal where they recruited a new crew. Prior to joining the ship, these men became members of the Canadian Brotherhood of Railway Transport and General Workers Union.

In July of 1961, Island Shipping fit out the Northern Venture and manned it with a C.B.R.T. crew.¹ Mike Sheehan, a former officer of the S.I.U. of Canada, rounded up the crew.² The C.B.R.T. was certified as bargaining agent for the unlicensed personnel of Island Shipping. Both the Wheat King and the Northern Venture were pressured by the S.I.U. The Northern Venture was harrassed by S.I.U. pickets despite an injunction by the Supreme Court of Ontario restraining all picketing of the two ships within Ontario. The Riot Act had to be read before the pickets would disperse. The Northern Venture went to Duluth, Minnesota where S.I.U. pickets prevented its loading. The vessel remained tied up for a month until she was loaded by supervisory personnel of the dock company.

In October of 1961, Mike Sheehan and Jim Todd, former S.I.U. members, working under the auspices of the Canadian Labour Congress and assisted by the C.B.R.T., formed the Canadian Maritime Union (C.M.U.).

¹The Wheat King, Northern Venture, and Hilda Marajanne were all new additions to the Upper Lakes' fleet. They were run by Upper Lakes subsidiaries at the time their parent company's vessels were manned according to contracts signed with the S.I.U.

²Sheehan was an S.I.U. organizer and patrolman under Banks from 1949 to 1961. He was D.N.S.'d and then expelled from the S.I.U. in February 1961, shortly after winning election as a union patrolman in Montreal.

Sheehan asked Tom Houtman for the opportunity of supplying unlicensed personnel for the Hilda Marajanne owned by Trans Lake Shipping, another Upper Lakes subsidiary. The vessel was manned by the C.M.U. and commenced sailing in November. The C.B.R.T. was granted certification as bargaining agent for the unlicensed personnel of the Wheat King and Northern Venture.¹ The C.M.U. was granted certification as bargaining agent for the unlicensed personnel of the Hilda Marajanne.² The S.I.U. was unable to effectively block operation of these vessels in Canada because of repeated court injunctions. Instead, the S.I.U. through its United States affiliates, effected secondary boycotts of these Upper Lakes vessels in the United States Lakes ports.

This picketing and harassment occurred throughout the rest of the year 1961. The resulting delays cost Island Shipping Ltd. a total actual loss of \$359,000 and Trans-Lake Shipping a total actual loss of \$23,000 during the 1961 navigation season. The evidence clearly shows that these ships could not be classified as "runaway" or "flags of convenience" ships, or under any proper union standard "scab" ships.³

The contract between Upper Lakes Shipping and the S.I.U. expired in the fall of 1961. Banks refused to deal with the company or part of the Lake Carriers Association. At the same time as he negotiated new contracts with the other shipping companies providing for wage increases of

¹The C.B.R.T. was certified on September 19, 1961. The certifications with respect to these crews were later transferred by the C.B.R.T. to the C.M.U. in April, 1965.

²The C.M.U. was certified on December 19, 1961.

³The Norris Report, p. 77.

two to four per cent, Banks demanded a sixty to seventy per cent wage increase from Upper Lakes. In addition, Banks demanded jurisdiction for unlicensed personnel employed aboard the Wheat King, Hilda Marajanne and Northern Venture be handed over to the S.I.U. Banks knew that fulfillment of this demand by Upper Lakes would violate Canadian Labour Law.¹

A Conciliation Board was appointed to mediate the dispute. On March 27, 1962, the Board reported that further mediation would be futile. The S.I.U. attempted to have the courts declare that the Conciliation Board's report was not a report under the I.R.D.I. Act.² In order to make the report appear incomplete, the union appointee to the board did not submit his report to the Minister of Labour. Seven days after the receipt of this majority report by the Minister, both the S.I.U. and Upper Lakes, pursuant to Section 21 of the I.R.D.T. Act, were freed of the obligations imposed by the Act. Accordingly, on April 5th, 1962, Upper Lakes entered into an agreement covering its unlicensed personnel with the C.M.U. As the S.I.U. was never certified as the bargaining agent for Upper Lakes' unlicensed personnel, the company was free to sign with any union. The S.I.U. could, of course, have sought certification at any time. It could also have gone before the Canada Labour Relations Board and challenged the right of any other union to represent the company's unlicensed seamen.

¹Confidential Interview Number 9.

²Action before the Quebec Superior Court March 1962, discontinued by agreement (between the court and the S.I.U.) October, 1965. The Supreme Court of Ontario accepted the validity of the report on April 30th, 1962.

During the fall of 1961 and the early winter of 1962 officials of Upper Lakes had met with officials of the C.L.C. in an attempt to prevail upon the latter to bring forcefully to the attention of United States trade unions the fact that the employees of Island Shipping were represented by bona fide trade unions pursuant to bona fide collective bargaining agreements, and that the vessels operated by Island Shipping were not "runaway ships" and "scab ships" as claimed by the S.I.U. By early March, 1962, the nature of the S.I.U.'s contract demands and the actions of the S.I.U. before the Conciliation Board had led Upper Lakes to suspect that the S.I.U. was not bargaining in good faith with a view to entering into a collective bargaining agreement. At a meeting held between officials of Upper Lakes and officials of the CLC in March of 1962 to discuss further the difficulties which the Northern Venture might expect to encounter in United States ports during the 1962 navigation season, representatives of Upper Lakes raised the question of whether the C.M.U. would be prepared to man the Upper Lakes fleet in the event that Upper Lakes was unable to negotiate a collective bargaining agreement with the S.I.U. The C.L.C. leaders made it clear that Upper Lakes was obliged by law to attempt (in good faith) to reach agreement with the S.I.U. But, the C.L.C. agreed in principle that if, as appeared to be the case, the S.I.U. refused to enter into an agreement with Upper Lakes, the C.M.U. would be prepared to negotiate with Upper Lakes in respect of the latter's unlicensed personnel.¹

¹The Norris Commission Hearings. Evidence of J. D. Leitch, President of Upper Lakes Shipping: Vol. 97, pp. 14, 534-14, 542.
 Vol. 98, pp. 14, 758-14, 761.
 Vol. 99, pp. 14, 797-14, 808.
 Vol. 99, pp. 14, 861-14, 863.
 See Also: Evidence of W. Dodge, Vice-President of the Canadian Labour

Because it considered the Wheat King, Northern Venture, and Hilda Marajanne as scab ships and because it had not signed a new collective agreement with Upper Lakes, the S.I.U. commenced the picketing of Upper Lakes, Trans-Lake, and Island Shipping vessels as soon as the 1962 navigation season started. Upper Lakes was able to obtain injunctions from the Supreme Court of Ontario and the Superior Court of the Province of Quebec preventing picketing of its ships and shore installations in those provinces. However, the S.I.U. and its parent body, the Seafarers International Union of North America, were able to interfere with and, in some cases prevent, the operation of Upper Lakes vessels in certain United States ports by picketing in such ports under the S.I.U. banner, and where such picketing was enjoined, subsequently under the banners of the S.I.U. of N.A., the Maritime Trades Department, the Inland Boatmen's Union (an affiliate of the S.I.U. of N.A.), the Marine Engineers Beneficial Association ("M.E.B.A.") and the International Longshoremen's Association. In ports where all picketing was prohibited by injunction, the same result was sometimes obtained by replacing the picketing with an I.L.A. boycott of Upper Lakes vessels. Upper Lakes hired a private detective firm--Citadel Agency--to protect its employees and its property.¹

Congress: Vol. 33, pp. 5205-5225.

Vol. 34, pp. 5326-5221.

Vol. 34, pp. 5367-5387.

Vol. 34, pp. 5397-5412.

Evidence of C. Jodoin, President of the Canadian Labour Congress:

Vol. 99, pp. 14, 915-14, 917.

Vol. 99, pp. 14, 934-14, 936.

¹The Norris Report, p. 83.

In addition, Upper Lakes obtained some twenty injunctions in Ontario, Quebec, and United States to prohibit picketing of its ships.

The Supreme Court of Ontario had held on May 7, 1962 that there did not appear to be any labour dispute between Upper Lakes and the S.I.U., that Upper Lakes had a collective bargaining agreement with the C.M.U. who represented its employees, and that the S.I.U. picketing which had taken place in Ontario appeared to be no more than an attempt to interfere with the relations existing between Upper Lakes and the C.M.U. The court granted a no-picketing injunction prohibiting picketing by or on behalf of the S.I.U. in Ontario. The S.I.U. then picketed Upper Lakes vessels under the M.E.B.A. banner. Harvey McKinnon, Licensed Division representative of the S.I.U. at Fort William, and certain other persons were arrested on May 23, 1962 while picketing Upper Lakes vessels with M.E.B.A. picket signs and McKinnon and Earl MacDonald, a fellow picketer, were convicted on February 6, 1963 of an offence under Section 366(1) of the Criminal Code.

As a final alternative, the S.I.U. attempted to export this Canadian dispute for decision in the United States by picketing in United States ports under its own banner and the banners of affiliated unions, and by inducing the I.L.A. to boycott Upper Lakes vessels. The S.I.U. also got Local 418 of the Grain, Elevator, Flour, and Feed Mill Workers Union to refuse to load Upper Lakes Vessels in Chicago. The N.L.R.B. decided that the actions of Local 418 were an integral part of a secondary boycott program formulated, inspired, and sponsored by the S.I.U. Ultimately, on September 20, 1963, Judge James B. Parsons of the

Chicago District Federal Court fined the local \$14,300. The fine was subject to an increase of \$500 a day for each additional day of delay. By November 13th, the fines had climbed to \$34,800 and the picketing stopped.¹

Even more serious was the campaign of calculated violence to which employees of Upper Lakes and its subsidiaries were subjected by the S.I.U. during the 1962 navigation season. Canadian newspapers splashed pictures of bloodied seamen across their front pages. Canada became aware of this fight of a big American union against a Canadian union and a Canadian employer.

Upper Lakes was hurt by the S.I.U. The company's crew turnover was twice as high as normal. New crew members had to be continually recruited. This lack of men with experience on their ship further slowed down operations. The company stated that it suffered substantial financial losses.

As a result of S.I.U. and affiliate picketing and I.L.A. boycotting, Upper Lakes and its subsidiaries suffered actual direct losses, during the period from the opening of navigation in 1962 to the end of July, 1962, of approximately \$412,000. For the whole of the 1962 navigation season such losses, including out-of-pocket costs, were in excess of \$1,200,000. Indirect losses, such as loss of cargos and of potential contracts, would, if taken into account, increase this amount substantially.²

¹Chicago Tribune, November 14, 1963.

²Submission by Upper Lakes Shipping Ltd., to the Norris Commission, p. 20.

On May 2nd, 1962, Claude Jodoin, President of the Canadian Labour Congress, wrote to Prime Minister Diefenbaker, pointing out the critical situation which had developed in shipping on the Great Lakes. He cited fourteen incidents of violence and blamed them on the S.I.U. The letter asked that the Government initiate a full-scale inquiry into the reign of terror prevailing over Canadian seamen and that the Government protest the violence and intimidation taking place in the United States. Jodoin described further acts of violence in a letter to the Minister of Justice on June 20th, 1962.

When all other attempts had failed to end the S.I.U.'s harrassment, the C.L.C., had one weapon left. On July 5th, 1962, the C.B.R.T., determined to force an enquiry into the conduct of the S.I.U., closed the Welland Canal to S.I.U. manned ships. The C.B.R.T. persuaded its members operating the locks on the St. Lawrence Seaway to block the canals, even though such action was illegal.¹ This was analogous to the tactics of the C.S.U. in its original organizing campaigns of 1937-38.

On July 12th, 1962 the United States Secretary of Labour appointed a three man commission headed by Judge Samuel I. Roseman, to inquire into the Matter of the Picketing of Certain Canadian Vessels by the Seafarers' International Union.

On July 17th, 1962, the Canadian Government appointed The Honourable

¹The C.L.C. and the C.B.R.T. had been discussing such action for over a year. It was felt that this action was certain to force the Government to act.

T. G. Norris a judge of the Court of Appeal of British Columbia to head an Industrial Inquiry Commission on the Disruption of Shipping. In return the C.B.R.T. agreed to persuade its members to resume normal operations of the canal locks.

Before the Norris Report was completed, the Canadian Press had passed judgements on the S.I.U.

One has to make one's decision about who is responsible (for the violence) by a process of elimination. In the army we used to refer to self-inflicted wounds. I don't think we can consider that a possibility--that, for instance an individual would take a crowbar and beat himself across the kneecaps as a simple act of self-indulgence. I think the next possibility . . . that the employees of the Upper Lakes shipping company and members of the C.M.U. are simply accident prone . . . must certainly be eliminated. If that is so, who is responsible for it? The Imperial Order of the Daughters of the Empire? The Women's Christian Temperance Union? The Steelworker's Union? There is only one pattern that answers the question, . . . The Seafarer's International Union is clearly responsible.¹

On July 6th, 1963, Mr. Justice Norris released his report. He condemned Banks in no uncertain terms.

Norris argued that the public interest required measures to achieve the following goals: a curb on violence and lawlessness; the free movement of ships and cargo through the St. Lawrence-Great Lakes waterway and in Canadian and American ports; the establishment of a normal employer-employee relationship in Canadian maritime industrial relations; the re-organization of the S.I.U. to rid it of its tyrannical leaders; and the placing of control of union affairs in the hands of officers responsible

¹William Dodge as quoted in Peter Gzowski "Hal Banks: The Fight to Break Canada's Waterfront Warlord" Maclean's, May 18, 1963, p. 14.

to the union rank and file. The report then gives a series of recommendations designed to accomplish these objectives.

Norris proposed that Parliament pass legislation placing all of the Canadian maritime unions under the control of a three man Board of Trustees appointed by the government. The Trustees would be given extensive powers to supervise union affairs; to remove union officials; to alter the constitution, by-laws and administrative practices in the unions; to investigate the unions' financial affairs; and to operate the unions in a manner the trustees considered to be in the best interests of the seamen and the public.

